



THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Vol 8 no 3

Taxpayers can make a difference!

MANITOBA'S PROVINCIAL DEBT

A large pile of aged, yellowed, and stained documents, likely historical records or manuscripts. The documents are stacked haphazardly, showing various types of paper and some binding elements.

THE PROV

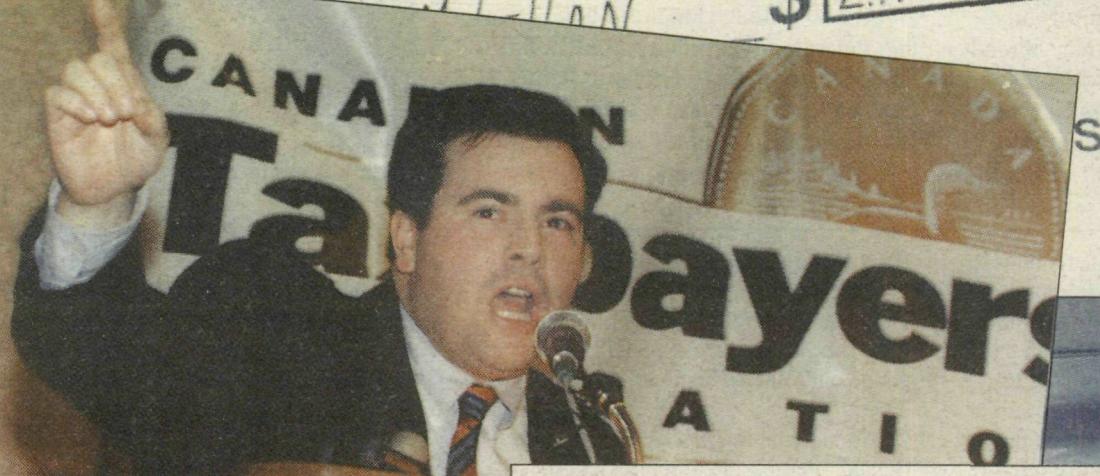
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**CANADIAN
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FEDERATION**

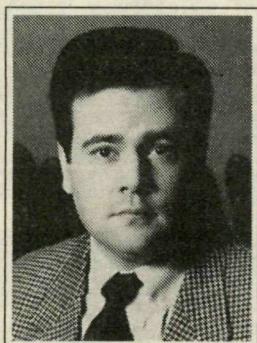
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Canadian Taxpayers Federation
105 - 438 Victoria Ave. East
Regina, Sask.,
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And now for some good news!



Jason Kenney,
President of
the Canadian Taxpayers
Federation

The Canadian Taxpayers Federation is often accused of being the purveyor of bad news.

In this issue of *The Taxpayer*, for example, you'll find stories about how Ottawa will increase tax revenues through its new GST harmonization plan, how the feds blew billions of dollars in an unnecessary public service buy-out plan, and how Sheila Copps plans to tax blank tapes and send the money to special interest groups.

We've received comments such as, "I am in receipt of some copies of *The Taxpayer* - absolutely disgusting and am anxious to subscribe," and "It is quite a shock to hear some of

these things, we don't hear about otherwise."

Unfortunately, reporting and commenting on the shenanigans of government is, by nature, a negative business. But it's not all doom and gloom. In addition to serving as a watchdog of the public purse, the CTF regularly undertakes projects aimed at promoting positive alternatives to the status quo. Countless submissions have been made urging fiscal and democratic reforms that would empower taxpayers and ease the tax burden on present and future Canadians.

Many of our ideas and policies have been adopted, either in

whole or in part, by various governments throughout the land. In British Columbia we were largely responsible for a provincial tax freeze, an end to MLA pensions and the introduction of freedom of information legislation. In Alberta, a very public and intense exchange between the Federation and the provincial government resulted in the abolition of MLA pensions. We've also campaigned for, and won, freedom of information legislation and a law banning loans and guarantees to businesses. Governments in Saskatchewan, Alberta and Manitoba have adopted taxpayer protection laws based on the CTF model, and we've obtained a written promise from the premier of Ontario to do the same. At the federal level, we've been given credit for preventing the government from raising taxes in two successive budgets.

If all this sounds like a bunch of horn blowing, it is.

But it's more than just that. It's evidence that taxpayers, Canadians, can make a difference. By working together governments can be made to live within their means, taxpayers can receive value for their dollars, and future generations will be able to enjoy the same standard of living that we do today.

In addition to the exasperation, resentment and anger, you may experience reading the "bad news" stories in this edition, you'll also find reason to celebrate. A special section out-

lines some of the past victories of taxpayers and the CTF's involvement in those accomplishments - some good news stories for a change.

We hope this edition will serve to renew your confidence in the ability of Canadians to take matters into their own hands and change our country for the good.

We've come a long way, and have a long way to go. But with your support, taxpayers will continue to fight back - and win. ■

You made a difference!

In the spring of 1995, after receiving over 230,000 names and watching a series of nation-wide anti-tax rallies, the federal government quashed its proposed income tax increase.

The costs of harmonization

When Nova Scotia, New Brunswick and Newfoundland harmonize their provincial sales taxes with the GST on April 1, 1997, the rest of Canada will pay the price.

The harmonized sales tax will be set at 15%, follow the GST model and be administered by Ottawa, resulting in a sales tax reduction for Newfoundland of 4%, and 3% for Nova Scotia and New Brunswick.

As supposed compensation for the provinces' reduced revenues, the federal government has agreed to pay the three provinces \$961 million over four years. However, a study just released by the Nova Scotia government says the province will actually collect nearly \$84 million a year more in revenue, since the

GST applies to a broader range of goods and services than their original sales tax.

Jason Kenney, President of the Canadian Taxpayers Federation said, "This massive payout constitutes an intergenerational transfer of wealth. Residents of Ontario, Quebec and the four Western provinces will be paying provincial sales tax in the Atlantic provinces without ever having purchased any goods or services."

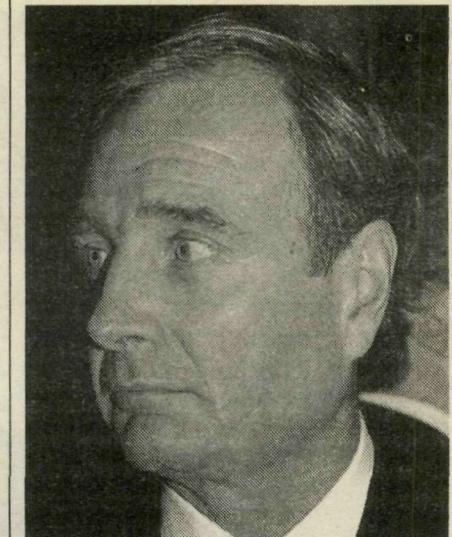
Even when the payout is finished the remaining provinces will continue subsidizing the three provinces because of adjustments in the equalization formula.

Now, Quebec, which has already agreed to harmonize its tax by November 1996, is asking for a \$1.9-billion package. This has already been refused by Ottawa and has the potential to become

another referendum issue.

Off further concern is the news that this tax will be hidden in the price of the goods. Kenney says this will eventually lead to further increases. "We've seen what happens in countries with hidden sales taxes — in Denmark the rate went from 10% to 25%, in Austria it went from 8% to 20% and in Israel it jumped from 8% to 17%. It's the same story the world over."

Instead of tinkering around the edges, the federal government should abolish the GST altogether. The stimulative effects of a tax decrease would inevitably lead to more consumer spending, more jobs and more economic growth. ■



Finance Minister Paul Martin playing "Let's make a deal" with your tax dollars.

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Information:

The Canadian Taxpayers Federation

(CTF) is a federally incorporated, non-profit organization. Our three-fold purpose is: 1) To act as a watch dog, and to inform taxpayers of government's impact on their economic well-being; 2) To promote responsible fiscal and democratic reforms, and to advocate taxpayers' common interests; 3) To motivate taxpayers to exercise their democratic responsibilities. Founded in 1989, the Federation is independent of all political or institutional affiliations and is entirely funded by its associate membership fees and free-will contributions. *The Taxpayer* is published six times a year and

is mailed to the CTF's associate members. For more information write: the Canadian Taxpayers Federation, #105 - 438 Victoria Ave. East, Regina, Sask., S4N ON7, or phone our toll-free number: 1-800-667-7933.

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- ◆ Saskatchewan: #110-438 Victoria Ave. E. Regina, SK., S4N ON7, Ph: (306) 352-1044.
- ◆ Manitoba: 1211 Richard Ave., Winnipeg, MB, R3E 3H3, Ph: (204) 772-3199.
- ◆ Ontario: P.O. Box 19518, Manulife Centre, 55 Bloor Street West, Toronto, ON, M4W 3T9, Ph: 1-800-265-0442.

The great public service buy-off

by Mitch Gray

When the federal government launched its early retirement program for public servants in 1995, everyone seemed to be happy. Paul Martin was happy that, with fewer employees on the federal payroll, he could meet his deficit reduction targets with greater ease. Taxpayers were happy that at least some action was being taken to pare down the bloated bureaucracy.

This outpouring of felicity, however, paled in comparison to the overwhelming joy felt by the public servants themselves. Federal employees fell over each other in the stampede to cash in on Ottawa's munificent buy-out package. And with good reason. Those who accepted the golden parachute stand to collect as much as 90 weeks (1 year and 9 months) in severance pay and benefits. Employees over 50 years of age with more than 10 years service with the federal government can, in effect, retire with full pension benefits, even though they will not have made all the necessary contributions. In addition to all this, those jumping ship may qualify for a \$7000 education and training allowance to help prepare them for private sector jobs.

Needless to say, there has been no shortage of takers. More federal employees took early retirement in the first five months of the offering than the government expected for the entire three years of the program. So enticing is the deal that federal workers have been swapping jobs so that those who are ineligible for the package can cash-out anyway. The government has tried to crack down on job-swapping abuses, but with limited effect.

Now comes news that this feeding frenzy at the public trough was wholly unnecessary. According to Carleton University professors Ian Lee and Clem Hobbs, the Liberal government could have cut 45,000 public service jobs without forking over a single dime of taxpayers' money.

Lee and Hobbs, in a soon to be released book entitled *How Ottawa Spends 1996-97*, indicate that the historical rate of attrition would have handled most, if not all, of the cuts within three years.

In other words, the feds blew \$2.3 billion that they never really needed to spend.

Now, those less inclined to cynicism might believe that the government simply made a mistake.

Others, however, might take a more critical view. Could it be that the ruling party in Ottawa was using taxpayers' money, not to buy-out, but to buy-off, tens of thousands of public employees? The whole program smacks of pork-barrel politics. Why pay out billions of dollars to a select group of individuals when the federal work force could have been reduced without any early retirement incentives at all? Votes, that's why. Massive severance packages will ensure, not only that public servants go away, but that they go away ready to vote for their benefactors in the next election.

These golden handshakes and similar payoffs are a pervasive and perverse aspect of Canadian politics. You scratch my back, I'll scratch yours. ■

Sheila Copps' parting shot

by Mitch Gray

Lost in the pandemonium swirling around Sheila Copps' tardy and teary-eyed departure from Parliament Hill was her announcement of Ottawa's plans to force taxpayers to cough up another 70 to 80 cents for every blank cassette that they buy.

Supposedly, the "levy" is to compensate recording artists for the revenues they lose through the private copying of their work from original CDs, records and tapes, onto blank cassettes. Ms. Copps claims it's a royalty payment.

But, as witnessed by the GST debacle, Ms. Copps' assertions are not necessarily what they seem. In fact, the tax on tapes is really just another twisted, but ingenious, tax grab de-



signed to buy the votes of yet another special interest group.

Here's how it works. Royalty payments are supposed to go directly to individual artists for every CD or tape they sell. But because there is no way to determine who's copying which artists' CDs, or how often, it's impossible to calculate which artist should receive how much of the supposed "royalty" tax.

So instead of paying the artists directly, the Liberals will be handing over the revenues to so-called "professional collectives," or artists unions, who will then distribute the money as they see fit.

Undoubtedly, a large portion of the total take will be hived off by the

bureaucracy as our tax dollars move through the system. Bureaucrats in Revenue Canada will be busily conferring with their pals over at the incongruously named Ministry of Canadian Heritage, who, in turn, will be shuffling paper off to the growing administrative arms of the "professional collectives." The artists themselves will be lucky to see a penny of the estimated \$35 million the tax is supposed to raise.

Now, you may not consider \$35 million to be a lot of money - and that's exactly what the feds want you to think. While it's true that Paul Martin didn't raise personal income taxes in this year's budget, he's been chipping away at taxpayers through little tax increases here and there over the past two-and-a-half years - about \$7.3 billion worth. This "death by a thousand cuts" strategy avoids a public outcry while still allowing Ottawa to milk taxpayers for all they're worth. ■

TAX TAITS

Spend money to make money

How many bureaucrats does it take to dream up a new tax? A three-member committee, set up to study the future of the CBC, was expected to cost \$900,000. But the committee headed by former CBC boss, Pierre Juneau, actually spent \$2.5 million to come up with a solution - a \$9 a month tax on Canadians to save the CBC. Of the \$2.5 million total, \$300,000 was paid out in honorariums to the three committee members, \$1.1 million was spent on professional policy consultants and researchers, \$224,000 was spent on travel, \$307,000 on staff salaries, \$81,000 on office support, \$172,000 on miscellaneous items, and finally another \$242,000 to produce and publish the final report. Only \$133,000 was spent on the actual consultation process.

A government contract?

A high ranking civil servant in BC has a contract most people could only dream of - severance benefits even when leaving her job voluntarily. And, for Connie Munro, that worked out to a going away present of \$300,000 when she resigned from her job with the Workers' Compensation Board for personal reasons. This isn't the first time Munro has hit the headlines for her lucrative contract benefits. Last year, documents released under freedom of information laws revealed she was paid \$88,000 in moving expenses. This in spite of the fact that she didn't move. Her contract simply said she was to be paid the same benefits as her predecessor, and unfortunately for taxpayers, the person in the job before her had moved and collected that amount.

All the world's a stage

The RCMP, still smarting over two poor security performances at the Prime Minister's home, recently took to the international stage. A March 13th story in the *Globe and Mail* by Paul Koring tells how Prime Minister Chretien was making his way to Sham el-Sheik, an Egyptian resort, for a counter terrorism summit in the mideast. Along the way was a ceremonial stop in Cairo.

Following the Prime Minister's airplane were military Hercules aircraft complete with 25 RCMP officers and armoured cars. Their purpose? To transport Chretien the few hundred metres from his airplane to the VIP lounge at the airport.

Unfortunately, someone had forgotten to notify Egyptian authorities who thought Chretien could ride the airport bus. Canadian authorities said our Prime Minister didn't ride in battered airport buses. The Egyptians replied that if he didn't like it he could walk. The matter came to a head when the Canadians said the PM would not land. Finally, after 40 minutes it was agreed that Chretien would ride in an Egyptian armoured car. The armoured cars, flown in specifically for Chretien's security, suddenly became unnecessary.

And what price did Canadians pay for this international diplomatic gaffe? We'll never know. George Bain, with Maclean's magazine, tried to find out. However, the standard reply was that no comment could be made regarding the Prime Minister's security arrangements.

Chretien expels tax fighter

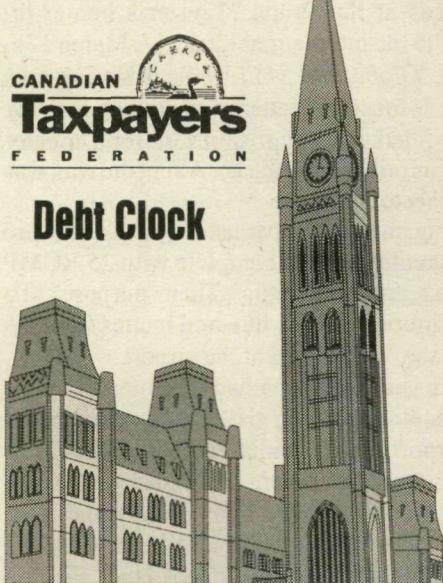
by Dean Smith

Prime Minister Jean Chretien showed his true colours when he expelled MP John Nunziata from the Liberal caucus. Nunziata's crime? He believed the Prime Minister's promise that a Liberal government would scrap the GST and therefore voted against the federal government's GST harmonization bill.

When Chretien gave Nunziata the boot on April 23, he clearly showed what is wrong with our political system. In this instance, an MP was kicked out because he voted according to his conscience, the promises made by his party, and most importantly, according to the wishes of his own constituents.

The reasoning for this heavy-handed discipline is based on the British parliamentary system. In the 19th century, like-minded politicians grouped themselves into various political parties as a way of getting and retaining political power. When Canada became a nation in 1867, this practice was followed. However, at that time, the member's allegiance to the party was much weaker than today. As a result, the tradition of "confidence" was developed to help control MPs. This notion stated that the government in power must win every vote in the House or resign. Consequently, government MPs were forced to support the government even if their constituents opposed the issue at hand.

Canada's political parties now have Party Whips who use such things as luxury trips to keep MPs in line. Ironically, taxpayers pay an extra salary for these enforcers. On occasion the party exerts the ultimate discipline of expulsion as a warning to other caucus members.



Debt Clock



The idea of "confidence" has become so entrenched that in February 1968, when the minority Pearson government was defeated in the House, Opposition Leader Robert Stanfield stood up and demanded the resignation of the government because, "the Constitution and the Constitutional practice cannot be flouted." But the confidence convention is not in the Constitution and Pearson's government didn't resign. Nevertheless, Stanfield's statement reflects the extreme positions that political parties will take on this issue.

Unfortunately, one's allegiance to this tradition of "confidence" often depends on if you are in government or opposition. In 1973, Pierre Trudeau and his newly-elected minority government said that only the defeat of a major bill would result in his government's resignation. If minor bills were defeated they would either be pulled back or amended. Trudeau then cited the official languages bill and its application to the public service as an example of the type of bill that would cause his government to resign. A short time later, Trudeau's government was defeated on a minor supply bill. The opposition immediately demanded their resignation. Trudeau refused and made his point.

Now parliamentarians say that governments only have to resign if defeated on money or budgetary bills.

This led C. E. Franks, in a report commissioned by Hon. Harvie Andre, Government House Leader in 1991, to say, "It is obvious from the Canadian experience that the question of confidence is intensely political and partisan, and conventions are described and interpreted by the various parties in terms that suit their needs of the moment." The actual rules on these matters are much less rigid than the perception of them, he added.

In 1984, the McGrath committee studied reforms Ottawa could make so private members could have more influence in Parliament. The committee reported that though the British parliament had also developed the "constitutional myth that every vote was a test of confidence," this

has been changing over recent years. Between 1972 and 1979, there were 65 defeats of government measures in Britain and none of these resulted in the defeat of the government. The Committee said, "Recent British experience makes it clear that at present losing a vote, even on a financial matter, is not automatically a matter of non-confidence entailing either the resignation of the government or the dissolution of the Commons. The government can decide how to treat its loss."

In a study on parliamentary reform for the federal government, the late senators Eugene Forsey and G.C. Eglington described the concept that a government must win every vote as simply another parliamentary "fairy tale."

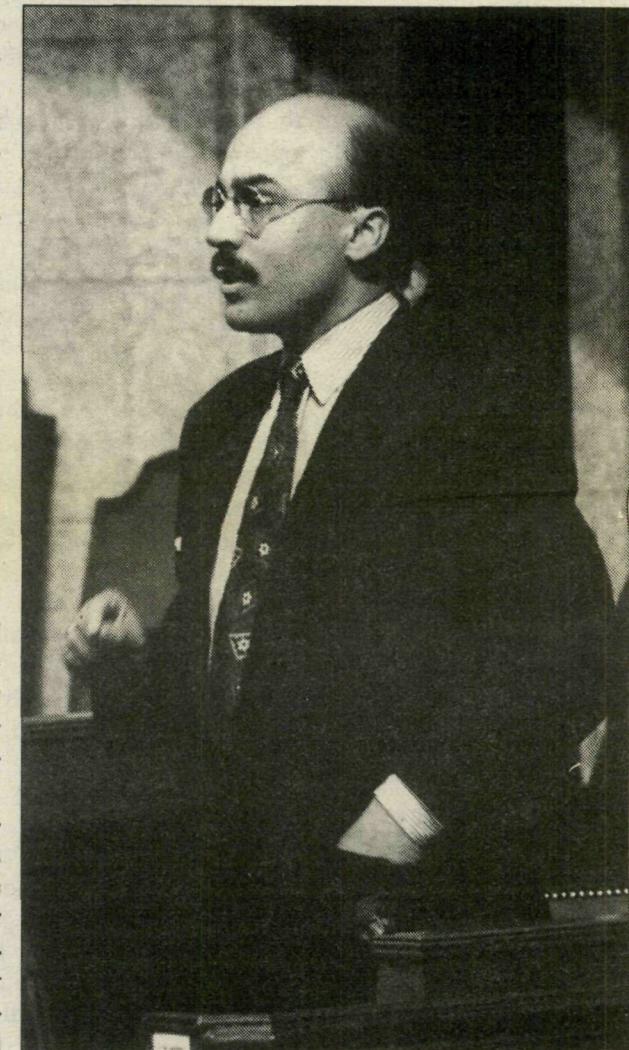
So, if there is no reason for a majority government to resign if a bill is defeated, why aren't MPs allowed to vote outside party lines? It's true that governments have occasionally allowed their MPs free votes (free from voting along party lines) on such issues as the flag debate and capital punishment. However, even in these instances there is tremendous pressure to support the government's position.

The reason that governments don't allow all votes to be free is because there would be a tendency for their MPs to vote according to the wishes of their constituents. In such a system, the government would be forced to pass bills the people actually wanted.

You made a difference!

In November 1995, the Manitoba government passed one of the toughest taxpayer protection acts in Canada which includes a provision for Cabinet Ministers taking pay cuts if they run a deficit.

That would mean greater accountability to the electorate. Parliament's refusal to relax the confidence convention indicates a contempt for representative democracy. As the McGrath committee said, "Rigid discipline is hardly compatible with the philosophy of a democratic party." ■



John Nunziata was kicked out of the Liberal caucus for representing his constituents' views instead of toeing the party line.

Taxes costing jobs?

by Dean Smith

According to a recent report by the Organization for Western Economic Cooperation (OWEC), the four Western provinces are responsible for the direct loss of 7,000 desperately needed jobs.

In their report, Drs. Graham Parsons and Eric Howe state the loss in jobs has been caused by the high levels of taxation imposed on the transportation of goods by our rail system. As trains transport products east and west, each province extracts its pound of flesh when the train

moves through their territories. Nearly two-thirds of Western Canada's exports are carried by the major rail lines. This means producers of such products as grain, potash, fertilizer, coal and manufactured goods are heavily hit by these taxes.

The pattern of rail taxation varies from province to province. For example, B.C. prefers using property taxes, Manitoba spreads it between property, fuel and sales taxes, while Saskatchewan and Alberta rely heavily on gas taxes.

The report specifically cited the impact of these taxes on a train of 112 cars, carrying 11,000 tonnes of grain, moving from Manitoba to ports in B.C. In 1994, the Manitoba tax worked out to \$1.84 a tonne or \$20,196. The train takes its biggest tax hit when it crosses into Saskatchewan with taxes working out to \$2.04 a tonne, bringing the total tax bill to \$42,697. Although Alberta has the lowest rail tax at 82 cents a tonne, it still adds \$9,000 to the total tax hit on this load of

Continued on next page

continued from page 4

grain. The B.C. bill comes in at \$1.33 a tonne, bringing the total rail tax bill for this load of grain to \$66,294.

If farmers are getting \$200 a tonne, the tax bill works out to nearly 3% of their price. However, if they only get \$100 a tonne, it doubles to 6%.

The biggest winner, of course, is B.C. since most of Western Canada's exports go through its ports. In 1994, B.C. collected about \$76.6 million in rail taxation. The second highest beneficiary is Saskatchewan which, due largely to its high rates, collected \$60.2 million. Manitoba came in third at \$38.4 million and Alberta finished last with \$38.2 million.

According to the report, only 7% of the rail traffic is delivered in the originating province which means that most of the taxes are applied to the freight of people living outside the province as their goods pass through. This leaves producers in the two central provinces, Alberta and Saskatchewan, having to pay the highest tax loads since their goods, whether shipped east or west, have to go through at least two provinces. Based on the 1994 figures, Saskatchewan producers paid \$80.1 million in taxes and Albertans paid \$57.3 million.

Their report stated that "any tax is reflected in the railways' costs of doing business and therefore even-

tually recovered in freight rates charged to shippers." This means, of course, that producers such as farmers, whose final price is determined by the world markets and not by their costs, pay the tax hit directly. For others, the tax actually increases the cost of their product and results in a loss of sales. Combining these two factors, the studies concluded that the \$213 million in rail taxes imposed by the provincial governments resulted in a drop in economic wealth of \$364 million.

Left in the farmers' hands, this money would be spent on equipment and other inputs, spreading this wealth into other sectors of the economy. It's estimated this loss in GDP has resulted in the loss of 7,460 jobs. This is particularly significant for Saskatchewan and Alberta where nearly 70% of these job losses are occurring. Although some producers are hit harder than others, all are being punished by

taxes imposed on their goods by other provinces.

While governments talk a tough line on job creation, it's becoming increasingly clear that they are a big part of the reason why there aren't enough jobs to go around. ■



It's time to cut the rail taxes that are costing almost 7,500 jobs.

Guest editorial

Putting kids first

by Cathy Perri - National President, KIDS FIRST

Parents choosing to stay home to care for their children often do so because they feel very strongly about it; they feel that the work they do, while not always valued by society, is extremely important.

In looking at the views of Canadians, and in particular women, we find that: a nationwide CBC/Globe & Mail poll revealed 76% of Canadians believe that children's well-being is being sacrificed because both parents work outside the home. In a 1991 Decima poll, 70% of women indicated that they would stay home with their children if they could. And most recently, an Angus Reid survey said that 68% of Canadians feel the best family in which to raise children is one with a parent in the home. If the majority of Canadians feel this way, then why do only 30% of women with preschoolers choose the career of full motherhood? The answer is that the economic, political and social pressures against this choice are extremely strong.

Within the tax system there exist incentives to encourage families to have both parents in the paid labour force and place their children in third-party care. In making such a choice this family receives a tax break. A family who chooses to have one parent in the home is subsequently penalized.

For example, the Child Care Expense Deduction permits double income families, regardless of income to claim child care costs up to \$5,000 per child under the age of 7, and \$3,000 per child aged 7 to 16, while assuming that families with one parent at home caring for their children, have no child care expenses. It is as if, in the transition from workplace to home, we have somehow acquired the ability to raise our children without costs.

Child-care costs exist, not because both parents work outside the home, but because children exist. When the home is a base for child care and is occupied 7 days a week, there are extra meal and snack costs, extra repairs and cleaning, extra heating and hydro and extra supplies, etc. In addition, and perhaps most significantly, an income has been sacrificed. Activities such as hockey camp, drama or music camps, or playschools and nursery school - which all families use - may be claimed by double income families, but

not by at-home parents.

The Child Care Expense Deduction has an inverse relationship to need because as your income level increases so do the benefits of this deduction. It is not designed to assist families in need, but rather to promote one child-care choice over another. Single-income families derive no benefit, nor do double-income or single working parents who choose to have an informal child care arrangement. The criteria for access to this deduction is child care choice - not financial need.

Double-income families file individual tax returns thereby allowing them to split income which results in the two incomes being taxed at lower rates than they would be if combined. Single-income families, being

unable to split income and deduct child care, therefore pay significantly more in taxes.

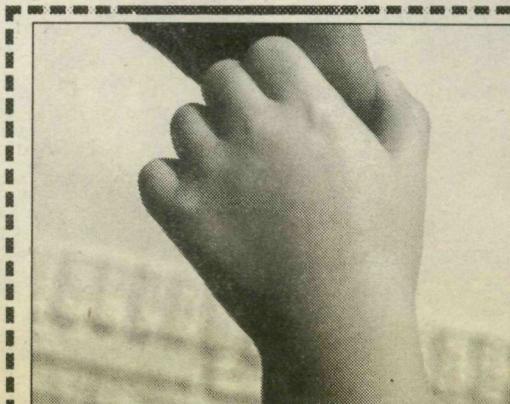
The impact of both of these measures was illustrated recently in a report released in June, 1995, by the Premier's Council in Support of Alberta's Families. It indicated that a family with two children and two working parents each earning \$30,000, with maximum child care deductions, paid \$9,368 in tax per year in 1995. A family with two children and one working parent

earning \$60,000 paid \$16,148 in tax! On average, one-income families earn 29% less than double-income families, and when they earn equivalent income, they can pay up to 72% more in taxes.

There is a saying that if you want more of something, subsidize it; if you want less, tax it.

The strength of a nation is only as strong as its families, the building blocks of society. Our tax laws and social policies must refocus to allow greater support for healthy, functioning families, instead of creating policies which reduce or remove family responsibilities.

Only when public policy begins to recognize the invaluable task of parenting and the crucial role of parents in the child's early development, will families have the support to do what is best for their children. ■



Stop unfair taxation on the best child care choice...the parent!

From: _____
Name: _____
Address: _____
Signature: _____
Comments: _____

Send to: Paul Martin, M.P., Minister of Finance, House of Commons, Ottawa, ON, K1A 0A6 No postage required

Taxpayers can make a difference!



Toronto Sun

Tired of being pushed around by big-spending politicians and their entourage of bureaucrats, Canadians across the country have banded together to form one of the most successful taxpayer groups in our country's history.

Pushed to the limit: Taxpayers push back

With over 80,000 supporters nationwide, the Canadian Taxpayers Federation (CTF) has proven, since it started in April 1990, that taxpayers can make a difference. The CTF was established when the Saskatchewan Taxpayers Association and the Resolution One Association of Alberta joined forces to create a national organization.

The Saskatchewan Taxpayers Association was formed just a year earlier in May, 1989, by a group of citizens who were concerned that their provincial politicians were controlled by special interest groups. Almost simultaneously, the Resolution One Association was being started by individuals in northern Alberta to fight the implementation of the GST. Resolution One pro-

posed that any government wanting to raise taxes should be required to reduce spending by an even greater amount of dollars.

Fed up with the political process, taxpayers were starting to organize to do something about it. In the fall of 1989, the two groups sponsored a number of "Axe the Tax" rallies across Western Canada, and at a Senate Fi-

nance Committee hearing on the GST in Edmonton, they presented a petition containing 50,000 signatures supporting Resolution One.

However, when the Mulroney government arrogantly ignored the wishes of Canadians and imposed the GST on January 1, 1990, the two groups quickly realized that a national organization was necessary to

combat the abuses of the federal government. This led to the formation of the CTF with the explicit purpose of promoting the responsible and efficient use of tax dollars.

Since that time, the Federation has rapidly expanded with offices in B.C., Alberta, Saskatchewan, Manitoba and Ontario with plans for similar operations in Quebec and the Maritimes.

The success of the CTF has clearly revealed the tremendous level of discontent across Canada for the current political process. Although the issues may vary from province to province, the main focus remains the same: taxpayers want more say in how their country is being governed. ■

The threefold purpose of the Canadian Taxpayers Federation:

- 1) To act as a watchdog, & to inform taxpayers of governments' impact on their economic well-being;
- 2) To promote responsible fiscal and democratic reforms, and to advocate taxpayers' common interests;
- 3) To motivate taxpayers to exercise their democratic responsibilities.

Taxpayers can make a difference!

Mobilizing an army of taxpayers

The role of the Canadian Taxpayers Federation

Some may consider the Canadian Taxpayers Federation (CTF) to be just another special interest group pounding on the doors of politicians asking them to implement their agenda. Nothing could be further from the truth.

The CTF, in contrast to special interest groups, doesn't receive any government funding. It's funded solely by the financial assistance of its supporters.

The Federation is the voice of thousands of Canadians with a common inter-

est - seeking to ensure that our governments are responsive to the wishes of the citizens of this country.

For too long, politicians and bureaucrats have hidden their activities behind a myriad of closed doors. Therefore, one of the main purposes of the CTF is to provide people with easy-to-understand information about government spending.

Our researchers pore through documents to find out exactly how governments are spending your tax dollars. Having done that, the next step involves getting the information out to concerned taxpayers.

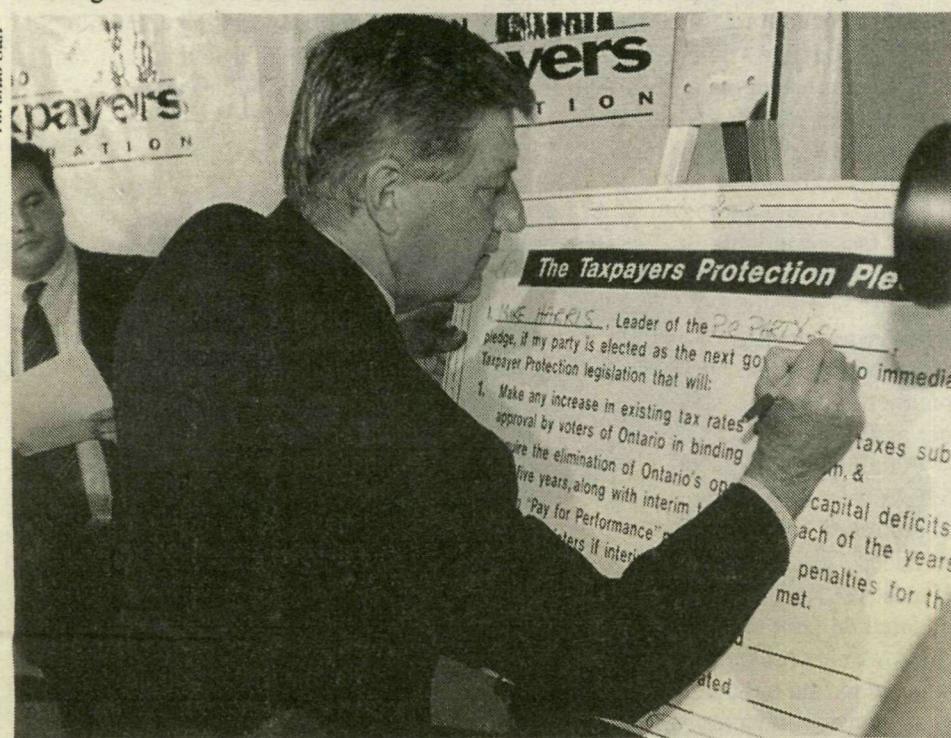
This includes publishing *The Taxpayer*, a newspaper which supporters receive every two months. In addition, spokespersons advocate taxpayer issues through news releases, media interviews and the CTF's nationally syndicated "Let's Talk Taxes" column which is sent out to hundreds of weekly newspapers across Canada. CTF representatives also regularly speak at a variety of functions promoting taxpayer concerns.

All this work, however, would be for naught if Canadians didn't

get involved in the process. The CTF believes individual Canadians must take responsibility for the country's fiscal condition. For too long this responsibility has been given over to political parties, and obviously it hasn't worked because today our country is nearly \$600 billion in debt at the federal level alone.

This is possibly the most significant difference between the CTF and special interest groups. Instead of doing things for people, the Federation functions as a catalyst, mobilizing people to take control of their own future. The CTF's role is to assist individuals in discharging their own personal responsibility as taxpayers.

When Canadians decide to do something, it's amazing what can happen. This type of active participation has led to Premier Mike Harris committing publicly to passing Taxpayer Protection Legislation in Ontario and ending of the MLA pension plan in Alberta. Without the influence of average Canadians, these changes would not have taken place. ■



Just prior to last year's Ontario provincial election, Mike Harris, Leader of the Conservative Party, signed the taxpayer protection pledge sponsored by the Ontario Taxpayers Federation. Harris went on to win the provincial election, but hasn't, as of yet, passed the legislation.

Working behind the scenes

One important aspect of the work of the Canadian Taxpayers Federation (CTF), that few Canadians

are aware of, involves the writing of indepth reports and pro-taxpayer legislation which is presented to various levels of government.

In fact, last year, the Filmon government of Manitoba enacted one of the toughest taxpayer protection acts in Canada based on the principles outlined in the CTF's proposed model legislation. The Manitoba legislation is but one example of the CTF's work behind the scenes.

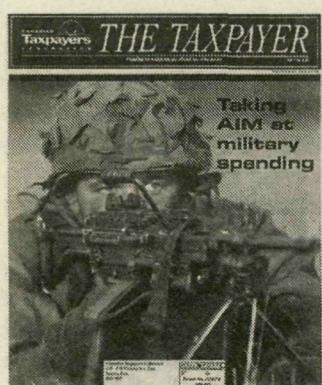
On a regular basis, federal and provincial government committees look for input from individual Canadians and organizations on issues of taxation and spending. Unfortunately, these meetings are often stacked with special interest groups demanding more of your tax dollars and consequently higher taxes. At most hearings, groups like the CTF calling for lower taxes and less government

spending are clearly in the minority, and on occasion our organization is the only voice speaking up in the interests of taxpayers. It's not surprising, then, after going through such hearings that governments get the impression Canadians are willing to pay more taxes.

On occasion, the CTF's behind-the-scene work spills over into the public eye. For example, last June, when the CTF was refused admittance to public hearings concerning MPs' pensions, the Federation decided to combat this flagrant abuse of political power by unleashing an army of plastic pigs on the front lawns of Parliament Hill. The 242-member "Pink Pig Brigade" was front-page news across the country. Within hours the CTF was invited in to make its presentation. Although this was probably one of the most publicized submissions, it's certainly

not the only one. Over the years, the Federation and its provincial affiliates have made numerous submissions representing taxpayer interests. In the provincial

sector of this paper and the section entitled "Working Behind the Scenes", you will find a listing of many of the presentations made by the CTF. ■



Did you know that with your financial support, a complimentary copy of *The Taxpayer* is sent to nearly every federal and provincial politician in Canada?



The 1995 pig brigade on the front lawn of the House of Commons, representing MPs who refused to give up their elaborate pensions.

Taxpayers can make a difference!

The taxpayer miracle of Alberta

One of the most cherished treasures of any politician is his or her taxpayer-subsidized pension plan. A few years ago, Alberta MLAs had the most lucrative pension in North America with a number eligible for individual lifetime pension benefits of between \$2 million and \$4 million.

Today it's gone, and May 1st, 1996, marked the third anniversary of this taxpayer miracle in Alberta. It proved that average citizens can make a difference when they make the effort.

The catalyst for this momentous change was the Alberta Taxpayers Asso-

ciation (ATA). On November 14, 1991, the ATA fired the first salvo in this pension war with the release of its study on the plan. Jason Kenney, the ATA's provincial director at that time, described it as an unconscionable abuse of public funds and called for an end to the scheme.

In a media interview, a visibly-upset Premier Don Getty blasted the ATA report calling it a "pile of baloney" and denounced it as being inaccurate.

However, when the Getty government was unable to discredit the study, it set up a special committee to study the plan. But Albertans didn't fall for the obvious stall.

People wrote hundreds of letters to their local papers condemning the scheme. Talk-back shows sizzled with irate callers. Politicians were receiving phone calls and letters from angry constituents.

One farmer confronted a cabinet minister at a meeting that had been called to discuss agricultural issues. The crowded hall broke out into a thunderous applause. From that moment on, all people wanted to talk about was the pension plan.

A provincial election would soon have to be called and the polls were not good.

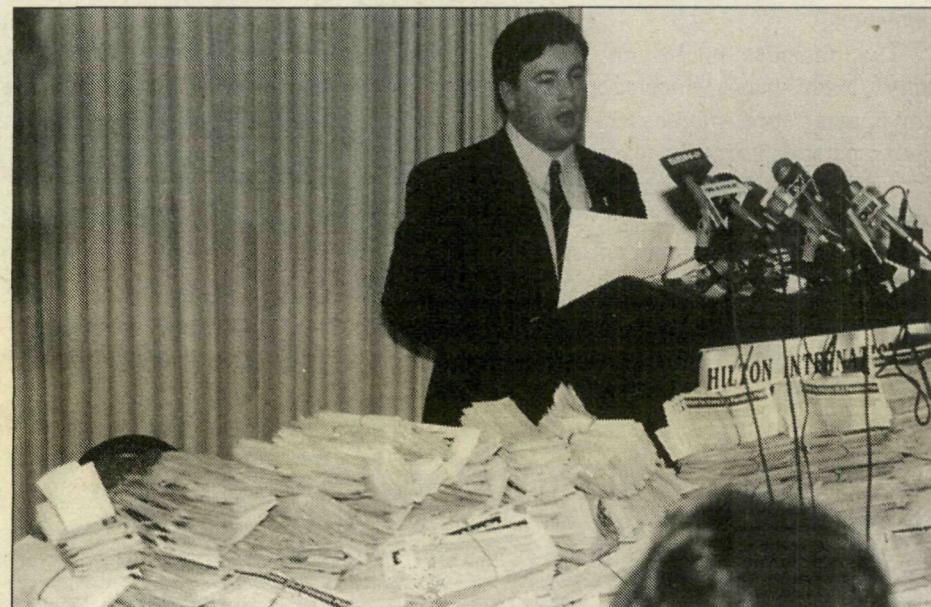
In the face of mounting pressure, Getty resigned and Ralph Klein was chosen as Alberta's new premier in November of 1992.

A number of Tory MLAs were also starting to retire, so the ATA introduced its popular "MLA Golden Handshake Report" which kept taxpayers updated on how much the latest retiring MLA would cost taxpayers. People were stunned to find out that the average first-year pension benefits worked out to \$90,000.

By the spring of 1993, Klein was facing a massive battle within his own caucus. Retiring MLAs wanted to keep their extravagant pensions, but MLAs seeking re-election didn't want to lose the next

election. The Liberal and New Democratic parties were promising major changes if elected and the pension plan was becoming the major election issue. Klein tried to push through minor reforms, but no one took the bait.

Meanwhile, the ATA had started a coupon campaign calling for major reforms to the plan. Hundreds of names flowed into its office each week. Some



Jason Kenney at the ATA news conference releasing the 30,000-name petition calling for an end to the Alberta MLA pension plan.

You made a difference!
With taxpayers becoming fed up with high taxes, six provincial governments have announced their intentions to reduce taxes in 1996-97: B.C., Alberta, Manitoba, Ontario, Quebec & Nova Scotia.

people spent their Saturdays collecting names at malls and flea markets. It was a spontaneous movement by outraged taxpayers.

April 20, 1993, sounded the death knell for the MLA pension plan. Jason Kenney had called a news conference to deliver 30,000 coupons to the Klein government. While being interviewed by reporters at the Alberta Legislature, he was confronted by Premier Klein who accused the ATA of robbing senior citizens. Kenney insisted that it was taxpayers who were being robbed. The 15 minute debate became headline news across Alberta. Local radio stations played the debate in its entirety. The *Edmonton Sun* said it best, "Alberta Premier Ralph Klein picked a fight yesterday and lost."

The next day, the Association's phones rang off their hooks as incensed seniors called wanting to join and sign the petition. One senior said if joining the ATA was equivalent to being robbed, then she wanted to be robbed.

With the election just weeks away, Klein finally caved in, and on May 1, 1993, he announced the end of the MLA pension plan. MLAs elected before 1989 would be eligible for reduced benefits; those elected after that date, including Klein himself, would have their contributions returned and pension benefits terminated. Klein went on to win the June provincial election.

Jason Kenney readily admits that it was Albertans who won this battle. "If the people of Alberta wouldn't have called, written and confronted their politicians the plan would never have been stopped," he said. "All we did was point them in the right direction, and they did the rest." ■

CTF's "doomsday" clock has impact

An elderly woman saw it and complained about irresponsible governments. The man with the beard said it was a lie and part of some "Reaganite" conspiracy.

A university student blamed the public who wanted services they couldn't afford. An American said he was now thinking about moving back to California.

And then there was a grade eight kid from central Winnipeg, who was quiet at first, and then started to ask a lot of questions. David Vollrath was cruising the Polo Park Mall in Winnipeg, with some of his friends, when they encountered the Canadian Taxpayers Federation's (CTF) "doomsday" clock. With its digital

display, the clock graphically shows how fast government debt is increasing.

The debt clock had such an impact on David that he decided to do something about it. After talking with his mother and teachers about government finances, he started a petition. In one day, he collected 60 signatures which he forwarded along with a letter to the province's Liberal Leader Paul Edwards.

In his letter, Vollrath said, "I am deeply concerned about our provincial and federal debt. This letter is to request that I be sent some information concerning this debt."

"Our future is in your hands, and as a grade 8 student, my future is at stake

too...This petition is against the province's debt and it's a demand that it be lowered."



In the last two years, the CTF's debt clock has sat on Parliament Hill, toured every province from B.C. to Ontario, and even welcomed Finance Minister Paul Martin to pre-budget consultations.

Taxpayers can make a difference!

Stop fiscal child abuse!

Truth in advertising. Some expect it during election campaigns; others don't, because the political agenda of many groups is rife with self-interest.

The 1995 Manitoba election was a radical break with tradition. On the line was the toughest taxpayer protection act in Canada. Entering the provincial election, the Filmon government had promised to pass the Act if elected. The legislation, which had been adopted from a similar plan proposed by the Canadian Taxpayers Federation, disallows annual deficits and requires a referendum before

several specific taxes can be increased. It also features a 20% pay cut for Cabinet Ministers if a deficit is incurred and a further 20% if it happens again.

The Liberal and New Democratic parties wouldn't endorse the proposed legislation but gave lukewarm lip-service to the general principles. Liberal leader Paul Edwards said his party would support a law requiring the books to be balanced over a four year period. Gary Doer of the NDP claimed that the last NDP government had balanced the budget.

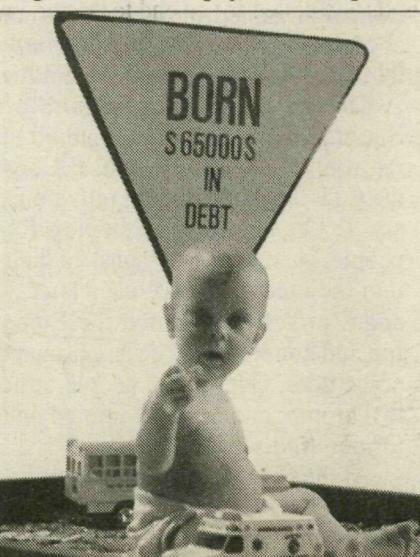
Having learned about big advertising plans by proponents of ever-rising government spending, and knowing

the importance of Election '95 as far as balanced-budget

legislation was concerned, the Manitoba Taxpayers Association decided to act. In an election where political advertisers outnumbered political parties, the MTA entered the fray with a con-

troversial set of TV and billboard ads promoting balanced budget laws.

For a fraction of the \$700,000 spent by a myriad of special interest groups, the MTA was able to neutralize their advertising assault on taxpayers with spots on



This baby drove home the message of fiscal child abuse during Manitoba's 1995 election campaign.

TV and billboards.

"STOP FISCAL CHILD ABUSE!", demanded the TV ad. In the background, a baby was playing in a sandbox full of loonies while its toys, a "medicare" ambulance and an "education" school bus, were mired in deficits and eventually sank out of sight in the quicksand of debt. "Overspending by government," an announcer explained over the strains of a nursery song that ground to a halt at commercial's end, "threaten valuable services like health care and education." Viewers were shocked to learn that the baby was "born \$65,000 in debt." As the baby began to sink out of sight, the spot concluded by asking voters to support balanced budget legislation.

The message of these ads was very deliberate because government debt and deficits threaten to destroy the standard of living of future generations. ■

CTF media profile

Globe & Mail, July 29, 1995

"The Alberta Taxpayers Association, which is affiliated with the Canadian Taxpayers Federation, is a prominent player in Alberta politics."

Vancouver Province, July 1994

"Thumbs up to the Canadian Taxpayers Federation for exposing scandalous expenditures by bureaucrats who should know better."

Toronto Sun, June, 1994

"This taxpayer group is mobilizing fast and represents Canadians in every nook and cranny of the country."

Calgary Herald, June 1993

"The group is becoming an instigator and leader of a growing taxpayer revolt."

The Financial Post, June 7, 1995

"The CTF is an amazing phenomenon, whose recent success in promoting TELs represents the ultimate paradigm shift in politics - from the top-down, trust-me old politics to the politicians-do-as-you're-told new politics."

CBC radio profile, February 20, 1995

"The Federation has stormed onto the national scene establishing itself as perhaps the most potent pressure group of the new politics."

The Financial Post April 6, 1996

"...the Federation is to be congratulated for continuing to keep up the pressure. The debt crisis, not Lucien Bouchard, is Canada's only nation-threatening issue."

You made a difference!

The MTA encouraged the Manitoba government to privatize its Crown corporations as a way of reducing debt. The Manitoba Telephone System, two mining companies and A.E. McKenzie Seeds have been privatized.

Saskatchewan fights for taxpayer protection laws

Since its inception in 1989, the Saskatchewan Taxpayers Association (STA) has fought for taxpayer protection legislation in Saskatchewan. Taxpayers need to strictly outlaw deficit budgets, and they also must impose spending and taxing limits for politicians.

During the 1991 provincial election, the STA successfully campaigned to have a question put on the ballot regarding balanced budget laws. Partly because of the Association's work to bring the debt crisis to light, 80% of Saskatchewan taxpayers voted in favour of forcing balanced budgets by law.

In February of 1994, after months of work, the STA presented to the public, and all Saskatchewan politicians, a draft of the most comprehensive taxpayer protection legislation in Canada. The Association and its members have been battling to see the rules of the Taxpayer Protection Act of Saskatchewan put in place. Some battles have been won, and some still remain.

The Saskatchewan proposal would outlaw all deficit financing, and would force politicians who can't balance the budget to take a pay cut. This legislation would also freeze all taxes unless the people approved of more in a province-wide binding referendum. This would prevent tax-addicted politicians from us-

ing taxpayers' pockets to fund more spending. If, for instance, the politicians wanted to raise the PST from 9% to 11%, the public would all get a chance to vote on the proposal, and unless at least 50% said they wanted a higher tax, it would not go through.

To date, over 43,000 Saskatchewan taxpayers have signed petitions demanding a taxpayer protection law. Shortly before the last provincial election, the NDP government was forced to recognize the public demand for these laws. It



STA lawn signs in the 1991 Saskatchewan provincial election encouraged people to support the balanced budget initiative.

introduced a balanced budget law of its own. While it has some good provisions, it does not stand up to taxpayers' scrutiny. The big failures in it are that it doesn't force politicians to take a "deficit pay cut" and it doesn't limit taxes.

Meanwhile, similar proposals have caught on in other provinces, while the Saskatchewan government has shamefully fallen behind. The Manitoba government requested a copy of the STA's proposal and has since passed legislation which virtually mirrors it. Manitoba taxpayers have a guarantee against deficits and tax hikes, and their politicians are prepared to put their paycheque on the line. The Ontario government has also made much the same commitment.

Saskatchewan taxpayers are committed to these laws more than ever. Recent public opinion polls show support for these provisions has grown. During the last provincial election, all party leaders were invited to attend a STA event which challenged them to publicly sign a pledge committing themselves to tax limits. The Romanow campaign didn't bother to acknowledge the invitation, but both opposition leaders publicly signed the pledge, and together received over 50% of the votes.

If taxpayers keep up the fight, the next provincial election could see all candidates forced to support the Taxpayer Protection Act. ■

Taxpayers can make a difference!

CTF stops federal tax increases

"It appears that the Canadian Taxpayers Federation has succeeded in preventing major tax increases in this year's budget." CBC Newsworld, spring 1995.

From Victoria to Moncton, irate taxpayers lined up at microphones to vent their rage over proposed tax increases for the 1995 federal budget. It was a shocking change for normally apathetic Canadians.

Just months earlier, the federal House of Commons Finance Committee had recommended nearly \$1 billion in new taxes, including a "temporary personal income surtax." One Liberal MP had brashly predicted Canadians would complain for a few days, and then roll over.

On January 24, 1995, with simultaneous news conferences in Ottawa, Vancouver, Calgary, Saskatoon and Winnipeg, Jason Kenney, Executive Director of the CTF, launched the campaign which would eventually include 20 tax rallies and a petition drive calling on the federal government to stop its increases. A Taxpayer Protection Act was also proposed that would legally force the government to balance its budget and prevent tax increases.

Four days later, full-page ads in the *Financial Post* and the *Globe and Mail* focused on Prime Minister Jean Chretien's election promise: "I say there is no tax increase in this plan."

I said in an interview the other day, if we were to be in a war—perhaps." *The Financial Post* ad was part of a special 12-page section on Debt & Taxes. As the campaign gained momentum, a number of Sun newspapers stepped forward with free advertising to promote the rallies.

The tax protests started with a roar. National news coverage pictured standing room only in Kelowna, B.C., where the CTF launched its first rally on February 1. Organizers were hoping for 400 people, but nearly 1,000 pushed their way into the meeting. Five days later, 1,800 angry protesters stormed the Edmonton Inn and hundreds more were turned away at the door. Over 2,000 people turned up in Toronto, and 3,500 crammed an auditorium in Pickering.

At the Saskatoon rally, a well-known, pro-tax activist said he welcomed more taxes and was angrily booed. Politicians, trying to defend increased taxation, received the same response.

The CTF's petition drive started with a "Tax Alert" section in *The Taxpayer*.

CTF supporters quickly rose to the challenge by sending in tens of thousands of names. In fact, they called for more petitions

so they could go to local coffee shops and malls to collect names. In B.C., February 11 was declared Tax Petition Day and volunteers, stationed in 14 locations around the province, collected nearly 13,000 names in one day. In total, the CTF delivered over 230,000 names to the Prime Minister and Finance Minister.

In addition, a number of media outlets initiated their own petition drives. Radio stations in Ontario promoted "Fax Fridays" in which listeners were encouraged to fax their messages to politicians. Hundreds of independent anti-tax activists sprang into action to add names to the growing public outcry.

An anomaly in Canadian society, the tax protest attracted a tremendous amount of media coverage. CTF spokespersons fielded hundreds of media requests for interviews and information.

Many were surprised by the intensity of the protest. Terry Downey, a political scientist at the University of Waterloo, said in an interview in the *Victoria Times Colonist*, "Historically, people have always grumbled about taxes, but I don't think I've ever seen such a concerted effort by Canadians to forestall a rise in taxes."

The storm of protest worked. Although there were minimal tax increases in the 1995 federal budget, they fell far short of the anticipated tax grab. The American-based *Wall Street Journal*

stated, "Voters flooded government officials with faxes, phone calls and letters demanding 'no new taxes.' The grassroots campaign had an impact." ■

What the media said...

The Los Angeles Times

"An incipient tax revolt is sweeping across Canada. Anti-tax rallies sponsored by the Alberta-based Canadian Taxpayers Federation have drawn thousands of placard-waving, chanting participants from British Columbia to New Brunswick."

The Vancouver Sun, Feb. 28, 1995

"The dearth of new taxes may be the result of an unprecedented grassroots protest that began in the West (led by the CTF) and steamrollered East. Some 17,000 ordinary people turned up in February at anti-tax rallies from Victoria to Halifax. They swear and shed tears in gyms and town halls. They organized not in reaction but in pre-action. And by the time they'd drawn their lines in the snowy landscape of a Canadian winter, Parliament Hill was encircled, feeling the full force of people power."

Maclean's, Feb. 27, 1995

"Riding a wave, the Taxpayers Federation has pushed itself onto the national stage."

The Economist, Feb. 18/March 4, 1995

"Some taxpayers in British Columbia released a spate of letters protesting at being 'taxed to the max' and calling on the federal government to chop spending. The spate has become a flood."

"Western Canadians can be pleased with themselves. Presenting his budget on February 27th, the finance minister, Paul Martin, announced that there would be no change in the income tax."

B.C. TV

Wall Street Journal editorial writer, John Fund said during a live interview on B.C. TV: "The people of B.C. can be proud of the role they played in launching a nation-wide tax revolt."

Canadian Press, November 29, 1995

"Canadians can thank grassroots opposition from groups like the Canadian Taxpayers Federation for a tax-free new year!"



Because hundreds of thousands of people rose up in protest over the proposed federal tax increases, Ottawa was forced to abandon its plans for a massive tax grab.

Taxpayers can make a difference!

AT WORK BEHIND THE SCENES

1. Senate Hearing on the GST

In July 1990, the CTF testified to the Standing Senate Committee on Banking, Trade & Commerce at its hearings on the GST.

2. Spending Control Act

In Sept. 1991, the CTF made a presentation to the House of Commons Standing Committee on Finance concerning the federal Spending Control Act and recommended Ottawa balance its budget more quickly and that it implement a taxpayer protection clause.

3. Constitutional Reform

The CTF presented a proposal to the Standing Committee on Constitutional Reform in Sept. 1991 on ways to restore democratic accountability to our Parliamentary system.

4. Submission on Electoral Reform

The CTF made a presentation to the Royal Commission on Electoral Reform in Oct. 1991. It recommended the use of citizen initiatives, referendums and plebiscites.

5. Debt Report

In March 1992, the CTF, in its presentation to the House of Commons Standing Committee on Finance on the Spending Control and Debt Servicing and Reduction Account Act, called on the federal government to implement constitutional limits on borrowing.

6. GST Reform

In 1994, the CTF submitted a brief to the House of Commons Finance Committee calling for abolition of the GST and circulated an estimated 120,000 "Stop the NVAT"

fliers with coupons.

7. Federal Pre-budget Consultations

In February 1994, the CTF was involved in pre-budget consultations with Federal Finance Minister Paul Martin in Calgary.

8. Social Policy Consultations

The CTF was involved in the consultation on Social Policy Restructuring with Lloyd Axworthy in March 1994.

9. Reform of MPs' Pension Plan

In June 1995, the CTF made a presentation to the House of Commons Standing Committee about reforms to the MPs' pension plan.

10. 1996 Pre-budget Submission

In Nov. 1995, the CTF made a submission to

the House of Commons Finance Committee concerning the 1996 budget, calling on the government to stop any proposed tax hikes and to implement a taxpayer protection clause in the Constitution.

11. Balanced Budget Amendment

In a Jan. 29, 1996, news conference, the CTF unveiled its Taxpayer Protection Amendment which would force Ottawa to balance its budget and limit tax increases.

12. Canada Pension Plan

On May 8, 1996, the CTF made a submission to the CPP consultation committee. The Federation proposed that the current CPP system be changed to a Mandatory Retirement Savings Plan which would be under the control of the individual taxpayer. ■

CTF ACCOMPLISHMENTS & HIGHLIGHTS

1. STA Formed

On May 1, 1989, a group of concerned citizens formed the Saskatchewan Taxpayers Association (STA).

2. Resolution One Committee Created

On May 29, 1989, a number of Alberta citizens formed the Resolution One Committee to oppose the GST. They called on the federal government to reduce spending by an amount greater than any revenues raised through new taxes or tax increases.

3. GST Protest

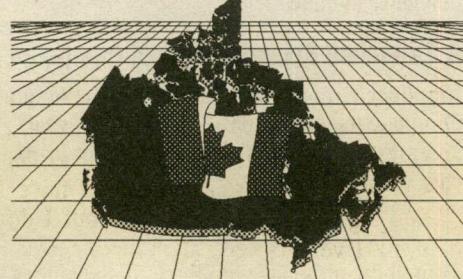
In the fall of 1989, the STA and Resolution One launched a series of rallies protesting the GST.

4. The CTF Created

In April 1990, the STA and the Resolution One Committee formed a national organization called the Canadian Taxpayers Federation (CTF) to fight excessive government spending and taxation on the national level.

5. GST Petitions Presented

In July 1990, over 60,000 signed cards oppos-



ing the GST were presented to a Senate meeting on the GST in Edmonton.

6. Established Alberta Taxpayers Assoc.

The Alberta Taxpayers Association was established in August 1990, with its office in Edmonton.

7. British Columbia Office Opened

The CTF British Columbia office was opened November 1992 in Victoria.

8. Canadian Taxpayers Conference

The CTF hosted the first ever Canadian Taxpayers Conference, January 22 - 24, 1993, in Calgary. Over 400 delegates attended from across Canada.

9. SIC List Report

In May, 1993, the CTF conducted a study comparing the government debt levels of 174 world economies, using methodology adapted from the World Bank, & ranked them in terms of total government debt - 46 countries, including Canada & all 10 provinces, fell into the severely indebted category.

10. Ontario Office Opened

The office of the Ontario Taxpayers Federation, was opened in August, 1993, in Ajax.

11. Manitoba Taxpayers Assoc. Started

In September 1993, the Manitoba Taxpayers Association opened its office in Winnipeg.

12. Roger Douglas Tour

The CTF sponsored a tour by Sir Roger Douglas, former Finance Minister of New Zealand, in Nov. 1993, on how Canada can avoid its debt crisis.

13. Call for Reform of MP Pension Plan

The CTF established MP pension reform as a principal federal policy objective, and in 1994 collected 50,000 names calling on the

Chretien government to reform the plan by converting it to a self-funding defined contribution plan.

14. CTF Launched National Tax Protest

On Jan. 24, 1995, the CTF launched a national tax protest including 20 anti-tax rallies and a 230,000 name petition. The national media credited the CTF with stopping proposed income tax increases.

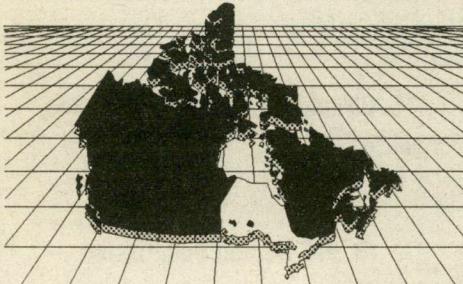
15. Launched Pink Pig Brigade

When the CTF was prevented from making its presentation at a hearing reviewing the MPs' pension plan in June, 1995, the CTF placed 242 pink plastic pigs on the front lawn of Parliament Hill. Within hours the Federation was allowed in.

16. MP Pension Cheques

CTF affiliates across Canada presented mock pension cheques to federal cabinet ministers on Sept. 11, 1995, the last day MPs could voluntarily "opt out" of the MP pension plan. The cheques indicated the amount MPs could collect from their pension should they live to age 75. ■

ONTARIO ACCOMPLISHMENTS & HIGHLIGHTS



to borrow, tax and spend.

2. Held Ratepayers Conference

Hosted a conference in Toronto for Ontario property taxpayers and municipal officials on October 22, 1994. Sessions dealt with how municipalities can deliver services efficiently.

3. Debt Clock Tour

Launched a province-wide tour of the debt clock from the steps of the Ontario Legislature at Queen's Park. It started in October 1994 and was completed in February 1995.

4. Taxpayer Protection Legislation

Prior to the Ontario provincial election in 1995, the OTF launched a province-wide

1. Model Taxpayer Protection Act

The OTF launched a model Taxpayer Protection Act on May 4, 1994, and a province-wide petition campaign, calling on the government to pass the TPA which would put reasonable limits on the provincial government's ability

campaign to pressure political parties to agree in writing to pass tough tax limitation and deficit reduction legislation if elected. Only Conservative leader Mike Harris, who later won the election, signed the pledge.

5. Property Tax Reform

The OTF is leading an aggressive province-wide campaign against the expensive and complicated actual value assessment system which the Harris government wants.

6. Education Reports

The OTF undertook a number of studies on education, including teachers' salaries, pensions of teaching and non-teaching staff, the unfunded liability in the teachers' pension

fund and the implications of teachers running for school boards.

7. Legislation Commitments

Once elected, Premier Mike Harris in Ontario announced that the OTF's top priorities - a balanced budget, taxpayer protection and an end to the MPP pension - would all be implemented by his government.

8. Retirement Gratuities

In Sept. 1995, the OTF released its study on retirement gratuities paid at Ontario School Boards.

Continued on next page

Taxpayers can make a difference!

continued from previous page

9. Severance Pay

The OTF made a presentation to H.R. committee of Metro Separate School Board in Oct. 1995 on severance pay packages.

10. Education Reform

Presented a comprehensive submission to the

Ontario School Board Reduction Task Force and has also participated in two conferences of the Ontario Public School Boards' Association on school board amalgamation and on the municipal/school board relationship. The OTF also made a presentation in May 1996 on Bill 34 hearings on Education Reform.

11. Pre-budget Report

The OTF has submitted a number of presentations to the Standing Committees on Finance and Economic Affairs concerning

pre-budget consultations.

12. Presentation on Bill 26

In Dec. 1995, the OTF made a presentation to the general government committee.

13. Government's Restructuring Act

In January 1996, the OTF made a presentation in support of the government's Savings and Restructuring Act to the general government committee studying the legislation.

14. CPP Review Panel

In April 1996, the OTF gave a presentation to the CPP Review Panel.

15. MPPs' Pensions

After continuing to highlight the need for MPP compensation reform, the lucrative MPPs' pension plan and tax-free allowances were scrapped by the Harris government. ■

SASKATCHEWAN ACCOMPLISHMENTS & HIGHLIGHTS

1. Saskatchewan Futures Corp stopped

Research on the Future Corporation's activities revealed a questionable use of tax dollars. The resulting uproar pressured the government to close the corporation earlier than it had planned.

2. Plebiscite on Balanced Budget Law

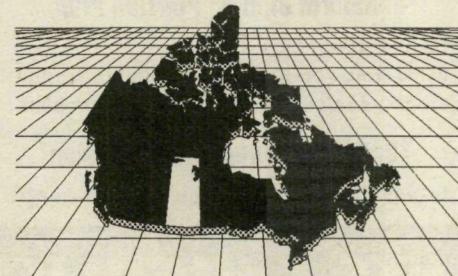
The STA raised awareness and support of the need for balanced budget legislation. The STA pressed the provincial government to hold a province-wide vote on the matter in conjunction with the 1991 provincial election. Over 82% of voters cast their ballots in support of such legislation.

3. Clean Office Policy Eliminated

The STA exposed government policy that allowed MLAs to keep constituency office furnishings and equipment when they retired or were defeated. The policy was revoked in the fall of '92.

4. Accountability of MLA Allowances

STA staff exposed the extravagant severance allowances for Saskatchewan MLAs. Subsequent pressure by the public resulted in the



severance allowance being revoked March 21, 1991.

5. MLA Tax-free Allowance Reforms

Raised awareness of allowances MLAs were entitled to receive without receipts. The policy was changed in 1992.

6. FOI Act Passed

Raised awareness of, and pressed the need for, Freedom of Information legislation which was passed in June 1991.

7. Closed down SEDCO

Over a two-year period, the STA exposed the questionable spending of the Saskatchewan

Economic Development Corp. which provided financial assistance to businesses in Saskatchewan. As a result of 15,000 coupons and a TV ad campaign, SEDCO was closed in early 1994.

8. Provincial Taxpayer Conference

On Nov. 20, 1993, the STA hosted the first-ever Saskatchewan Taxpayers Conference in Saskatoon with guest speakers from Los Angeles, New Zealand & Toronto. Over 350 delegates attended.

9. Launched Balanced Budget Campaign

Introduced model legislation which would eliminate the annual deficit within two years, and prevent any future deficits except in the case of an emergency.

10. Debt Clock Tour

Toured the province with the CTF debt clock in early 1994.

11. National Tax Alert Campaign

Joined in a national campaign to stop tax increases in the 1995 federal budget. Featured well attended rally in Saskatoon.

12. 2nd Debt Clock Tour

Launched its 2nd Annual Debt Clock Tour in August 1995. Toured eight locations around the province collecting petitions and pushing for balanced budget laws.

13. Balanced Budget Campaign

In Oct. 1994, the STA delivered over 15,000 coupons to the Premier calling for a balanced budget law. A few months later the STA initiated a \$30,000 advertising campaign, including newspaper & TV ads, to pressure the government to commit to effective balanced budget laws, debt elimination & democratic tax limits during the provincial election campaign. Another 30,000 petitions were delivered, and both opposition parties included this proposal in their election platforms.

14. Taxpayer Protection Pledge

In the last week of the 1995 election, the STA challenged all political parties to sign the "Taxpayer Protection Pledge." Both opposition party leaders signed the pledge at news conferences. ■

ALBERTA ACCOMPLISHMENTS & HIGHLIGHTS

1. MLA Pension Plan Abolished

For 2 years, the ATA exposed the lucrative Alberta MLA pension plan. It presented a 30,000 name petition calling for its reform. On April 30, 1993, the MLA pension plan was abolished.

2. Freedom of Information Legislation

Collected 20,000 signatures in 1991 demanding a Freedom of Information Act which was eventually passed in 1993.

3. Education Roundtables

In October 1993, Jason Kenney took part in the provincial government's roundtables on education which looked at making the education system more efficient and effective.

4. Budget Roundtables

Jason Kenney took part in budget roundtables between March 1993 and Sept. 1994 which brought together Albertans from all walks of life to discuss Alberta's fiscal problems.

5. Balanced Budget Legislation

For 2 years, the ATA advocated the need for balanced budget legislation & was rewarded with the passage of the Deficit Elimination Act in May of 1995. In April 1995, the Act was

extended to include a debt repayment provision.

6. No More Boondoggles Legislation

Research on billions of dollars lost on business loans & guarantees brought pressure to bear on the provincial government. In March 1996, the government introduced legislation which significantly limits the province's ability to subsidize business.

7. Taxpayer Protection Legislation

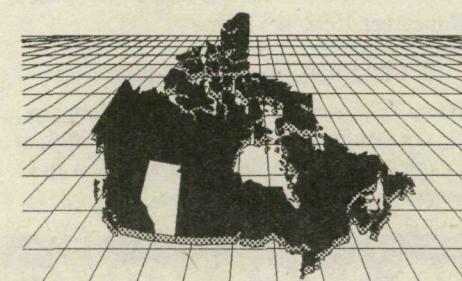
Promoted taxpayer protection legislation to limit the Alberta government's ability to tax. In May 1995, the Taxpayer Protection Act was proclaimed but it only applies to sales tax. The campaign continues to expand the terms of the Act.

8. MLA Re-establishment Allowance

Exposed MLA severance allowance & aroused public support for its elimination.

9. Constitutional Reform

Made a presentation to the Alberta Select Committee on Constitutional Reform calling for initiative & referendums, limits on growth of government spending & limits on borrowing.



10. MLA Compensation Reforms

After exposing MLAs' abuse of the capital residence allowance, MLAs must now live over 90 miles away to receive living expenses. A review of pay & perks of MLAs in the fall of 1993, resulted in the implementation of a number of ATA recommendations including the elimination of tax-free allowances & severance packages.

11. Alberta Roundtable on Debt

Sponsored the "Radio Roundtable on Reducing Public Debt" from January to March, 1994. The spots featured business leaders, economists and public policy experts & were broadcast across Alberta.

12. Ratepayers Conference

In Nov. 1994, organized a ratepayers conference in Red Deer to discuss strategy for the proposed new Municipal Government Act.

13. Alberta Heritage Fund

Made a proposal in Feb. 1995, on the Future of the Alberta Heritage Savings Trust Fund, recommending that it be reconstituted and managed at arms' length from government.

14. Regional Health Authority Members

Recommended in Sept. 1995 that 2/3s of RHA members be elected to ensure accountability.

15. Direct Democracy Roundtable

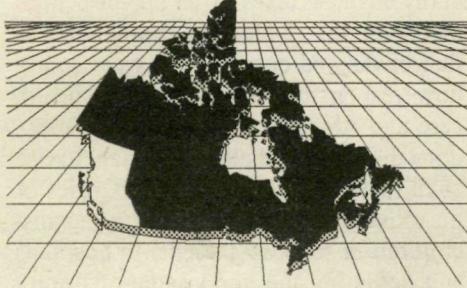
Organized a one-day conference in June 1995 to assess the potential for adopting direct democracy mechanisms in Alberta.

16. Pre-Budget Submission

In Feb 1996, in a pre-budget submission to the Alberta government, the ATA stressed the need for lower taxes & accelerated debt reduction. Recommended that the Deficit Elimination Act, the Balanced Budget & Debt Retirement Act be consolidated into one legislation that would include penalties for politicians if they run a deficit budget. ■

Taxpayers can make a difference!

CTF-BC ACCOMPLISHMENTS & HIGHLIGHTS



1. Opens BC Office

Office opened in Victoria in November 1992.

2. Model Initiative Legislation

Drafted a model for citizen-initiated referendums & presented it to the Select Standing Committee on Parliamentary Reform on Feb. 5, 1993.

3. Report on BC MLA Perks

On March 5, 1993, the CTF-BC released a report exposing severance allowances for B.C. MLAs & launched a petition campaign calling for their abolition.

4. Call for end to Clean Office Policy

In Nov. 1993, called for the elimination of the Clean Office Policy, a practice which allows MLAs to keep, as their personal property, all office furnishings & equipment purchased for their constituency offices.

5. B.C. Debt Clock Tour

The CTF-BC toured its debt clock through the B.C. interior in March 1994 with stops in Penticton, Kelowna, Vernon and Kamloops.

The tour was part of a pre-budget awareness campaign.

6. Direct Democracy Conference

The CTF-BC held its first conference in B.C. on April 16, 1994, on the subject of direct democracy. The one-day event was covered live, coast to coast on CPAC, the Parliamentary Channel.

7. Initiative Legislation Passed

In June 1994, the B.C. government passed the *Recall and Initiative Act*.

8. Study on New Government Agencies

On Sept. 27, 1994, the CTF-BC released research showing the B.C. government created 46 new government agencies and corporations in its first three years of office.

9. Campaign to Reform MLA Perks

Launched a campaign on Oct. 25, 1994, to reform MLA perks & benefits. A CTF report showed that 20 MLAs were eligible for \$19 million in lifetime pension benefits even though their contributions were only \$1.2 million.

10. Clean Office Policy Abolished

Jan. 31, 1995, the Clean Office Policy was eliminated by an all-party committee.

11. 1995 Tax Alert Rallies

A national campaign opposing potential tax hikes in the 1995 federal budget was launched at a rally in Kelowna on February 1st. Additional rallies were held in Kamloops, Vancouver & Parksville.

B.C. rallies featured Prop 13 Leader Joel Fox from California. Over 35,000 names opposing tax hikes were collected in B.C.

12. Petition on Perks & Benefits Reform

The CTF-BC presented 15,000 signed coupons calling for the reform of MLA perks & benefits to the provincial legislature on April 19, 1995.

13. Conference on Political Renewal

@BODY = A one-day conference was held in Burnaby on June 3, 1996, addressing issues of Economic and Political Renewal.

14. CTF Opposes Gag Law

Led opposition to the government's imposition of a "gag law" in the Election Act which prohibits citizens and groups from spending more than \$5,000 in advertising, supporting or opposing candidates during elections.

15. Release Study on MLA Pensions

On July 4, 1995, the CTF-BC turned up the heat on MLA pensions by revising its figures and showing that four more MLAs had become eligible for benefits.

16. Legislation to End MLA Pension Plan

On July 5, 1995, the government introduced legislation abolishing the MLA pension plan effective the day after the next election.

17. CTF-BC Delivers \$722,000 Cheque

On Sept. 11, 1995, the CTF-BC delivered a mock cheque worth \$722,000 to federal MP

David Anderson's office in Victoria which represented the amount he would earn in pension benefits to age 75.

18. Balanced Budget Campaign

The CTF-BC launched a campaign on Nov. 9, 1995, in support of taxpayer protection legislation for B.C. which would prohibit deficits, eliminate the province's net debt over 25 years, and give taxpayers the right to vote on proposed tax increases.

19. Call for End to Business Subsidies

On April 11, 1996, the CTF-BC released a paper recommending the B.C. government cut \$145 million in subsidies for business. The Federation's paper listed several profitable corporations that have received loans & grants from B.C. taxpayers.

20. Tax cuts

Prior to dropping the writ, Premier Clark introduced a budget that cut personal income taxes and taxes on small business. The government also introduced legislation that would freeze major personal taxes and prevent the introduction of any new taxes to the year 2000.

21. CTF Election Campaign

During the B.C. election campaign, the CTF-BC launched radio and newspaper ads asking voters to support candidates committed to balanced budget legislation and voter approval for new and increased taxes. ■

MANITOBA ACCOMPLISHMENTS & HIGHLIGHTS

1. Balanced Budget Legislation

Presented the government with model legislation & launched a pre-election media campaign in support of balanced budget and taxpayer protection legislation. The legislation was passed after the election and is now the envy of the country.

2. Crown Privatizations

Encouraged the provincial government to expand the tax base by privatizing Crown corporations. Manitoba Telephone System, two mining companies and A.E. McKenzie Seeds have all been privatized over the past few years.

3. MLA Pension Plan Reform

Proposed revision of the MLA compensation package, abolition of a tax-free expense allowance, and replacement of the MLA pension plan with a self-funded RRSP arrangement. These revisions became effective as of April 1996.

4. Direct Democracy Reforms

Drafted model legislation for provincial citizen-initiated referendums, and civic money by-laws legislation. Presented money by-

laws and referendum reforms to the City's Executive Policy Committee and twice to City Council in spring 1996.

5. Education Reform

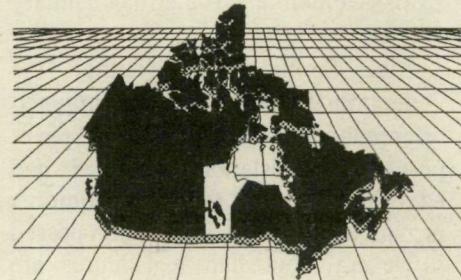
Presented a report to the Teachers' Collective Bargaining Committee supporting the replacement of binding arbitration with a referendum mechanism on contract disputes, and pay based on merit. The 1996 Dyck-Render report addresses taxpayers concerns by linking teacher salary increases to school divisions' ability to pay.

6. Salary Disclosure

The MTA has actively pressed for full disclosure of all taxpayer-subsidized salaries. In May 1996, the Province announced salary disclosures for union officials & public employees earning over \$50,000.

7. Competition in Government

The MTA has pushed for change within government by encouraging departments to save tax dollars and end spend-it-or-lose-it budgeting. There are now 11 "private-style" Special Operating Agencies in Manitoba, and regular contracting-out has become common in most ministries.



8. Greenvale College

Helped arrange a speaking engagement in Winnipeg for Professor Peter March, advocate and architect of the tax-free Greenvale College model of post-secondary education.

9. No More Taxes Campaign

Helped stop billions in planned tax hikes in the federal 1995 budget through nationally coordinated "no more taxes" rallies, as well as phone and fax campaigns.

10. City Tax Freeze

The MTA's push for tax control, privatization and contracting out at City Hall was rewarded

in 1996 with the City's first property tax freeze since 1972. The budget also included contracting out of services and sale of assets.

11. Public Education

As part of our responsibility to educate young Manitobans on tax and spending reform, the MTA won a debate with the CHOICES Coalition for Social Justice on debt reduction at St. Mary's Academy in May 1996.

12. CPP Reform

Made a series of presentations to the government and other stakeholders in spring 1996 advocating the replacement of the CPP with a mandatory fully-funded retirement savings plan.

13. Arena Boondoggle

Helped stop the use of public dollars for construction on a Forks sports complex & supported alternatives which required no public subsidy.

14. Aesissippi Boondoggle

Actively opposed government funding for the Aesissippi ski resort boondoggle. The project was dropped as unfeasible. ■

Glen Clark's fiscal tightrope

by Troy Lanigan

Premier Clark has a fiscal tightrope to walk.

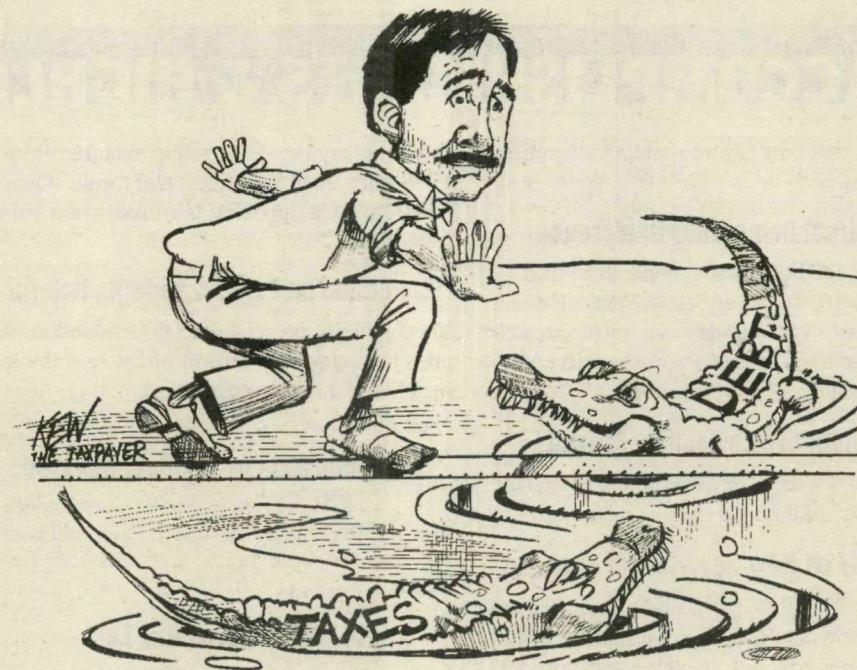
Prior to, and during the election campaign, Premier Clark made clear commitments to freeze ICBC rates for two years, freeze hydro rates for three years, and freeze tuition fees for two years. He also promised to pass a law freezing most major personal taxes and prohibiting the imposition of new taxes prior to the year 2000.

It gets better.

Premier Clark even promised to resign if he didn't deliver on a commitment to cut personal income tax rates by 4% in this year's budget (a small apology for his previous budgets as finance minister when he raised taxes by \$1.6 billion).

On the subject of debt, Mr. Clark reaffirmed his support during the campaign for his government's Debt Management Plan (DMP). The DMP does not reduce taxpayer-supported debt by one nickel. Nor does the plan include the debt of commercial Crown corporations. The plan simply slows growth in debt to less than growth in the economy. If Mr. Clark can achieve his DMP targets, the debt will rise by \$2 billion over the next four years.

But even these targets appear unachievable for Mr. Clark. The government has already missed its first year target by \$414 million. In addition, the DMP requires the government to cut spending equal to \$2.2 billion over the



next four years.

Does anyone seriously believe the NDP is going to cut \$2.2 billion in spending over the next four years? That Mr. Campbell did not challenge Mr. Clark during the election campaign to explain how he was going to achieve his DMP targets is one of the chief reasons the Liberals remain in opposition.

The research staff of the Canadian Taxpayers Federation has poured through hundreds of newspaper clipping stemming from the B.C. provincial elec-

tion campaign. In not one clipping does Premier Clark or any of his candidates make a specific commitment to reduce spending in any area of government. In fact, it was calculated prior to the writ being dropped that Mr. Clark had made some \$2 billion in new spending commitments. And his budget, tabled before the election, is one of only four in the country which increases program spending in the coming year.

Do Clarkonomics add up? Of course not.

Expect one of the three following events to unfold within the next two years: A) Mr. Clark raises taxes not covered by his tax freeze legislation, especially business taxes. After all, the central theme of his re-election campaign was that banks and corporations were somehow responsible for cutbacks in health care and education; B) Mr. Clark abandons the DMP and allows the debt to rise even faster than it already is. Critics of the move will be branded as being against children in schools, patients in hospitals and defaming the good name of former Premier WAC Bennett; or (C) Mr. Clark's new found acclaim for Premiers' Harris and Klein extends to the release of a secret plan cutting \$2.2 billion in spending over the next four years.

With a little "wriggle-room", Mr. Clark can maintain his high-wire act this year. But a slowdown in the economy, coupled with decreasing federal transfers and a lot of pre-election IOUs outstanding, means a "reality check" for Mr. Clark and his government isn't far away — a reality-cheque that will eventually be picked up by B.C. taxpayers. ■

**Canadian Taxpayers Federation -
British Columbia**

#604-1207 Douglas St., Victoria, B.C., V8W 2E7

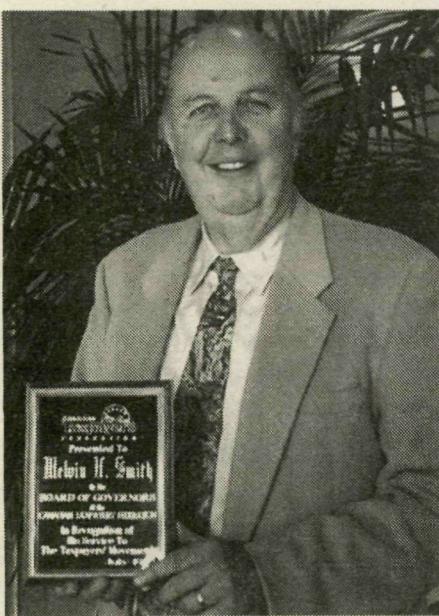
Phone: 604-388-3660

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Executive Director:
Troy Lanigan

CTF Board Member retires

Mel Smith, QC of Victoria has decided not to seek a second term on the Canadian Taxpayers Federation Board of Directors. Mr. Smith was the



Mel Smith receives a plaque recognizing his commitment to the taxpayers' movement.

Federation's first board member from British Columbia, serving since January 1994.

Mel Smith helped author the Federation's model for citizen-initiated referendums, in addition to taxpayer protection legislation presented and advocated by the Federation's provincial affiliates. Legislation passed in several Canadian legislatures are directly attributable to Mel's pioneering work.

Mel has also made innumerable contributions to material published in *The Taxpayer* as well as making several speaking and media appearances on behalf of the Federation.

Although Mel has retired from his position as a senior civil servant to the British Columbia government, he remains very busy dividing his time between teaching, writing, public speaking and consulting. Last year, Mel published his first book, *Our Home Or Native Land*, which quickly became a

Canadian best seller. We thank Mel for his contribution and dedication and wish him and his wife Beverly all the best in the future.

Replacing Mel on the Board is Mr. Ed DesRoches of Vancouver. Ed has been involved in retail business since 1970 and founded PLUM Clothing Company with his wife in 1981. From a 500 square foot location in Kitsilano, PLUM Clothing now has seven stores serving women in the lower mainland and Victoria. Sixty-five percent of their inventory is designed by the company and manufactured in British Columbia.

This year Ed will be stepping down as the Chairman of the Retail Merchants Association of British Columbia after having served seven years on their board of directors. In 1989, Ed was

You made a difference!
The CTF-BC played a major role in exposing & calling for an end to the B.C. MLA pension plan. After public pressure, the government abolished the plan effective May 29, 1996.

instrumental in founding the Angry Taxpayers Action Committee (ATAC) which lobbies provincial and municipal governments on commercial property taxes. He presently sits on a municipal task force charged with developing recommendations on property tax reform in the City of Vancouver.

The Board and staff of the Canadian Taxpayers Federation are pleased to welcome Ed aboard and look forward to his involvement over the next two years.

Corporate Giveaways

by Troy Lanigan

Premier Glen Clark is probably the last politician in the country you would expect to be subsidizing large corporations with taxpayers' dollars. Well surprise, surprise. The NDP government continues to hand out millions in loans and non-repayable grants to some of British Columbia's largest and most profitable corporations. Most of these hand-outs are administered under

Mr. Clark's former baliwick, the Employment and Investment portfolio.

On May 10, 1996, in the midst of the provincial election campaign, a cabinet order was signed

granting Huckleberry Mines Ltd. a \$15-million loan for the development of a mine near Houston in northern B.C. A sign of things to come?

Sixty percent of Huckleberry Mines Ltd. is owned by Princeton Mining Corporation — the same Princeton Mining that owned and operated the Cassiar asbestos mine in Northwestern B.C. In the late 1980s the former Social Credit government

provided the company with loans to develop new reserves. By the time the New Democrats came to power in 1992 it was apparent the mine was a bad risk, and the government refused to provide it with any more tax dollars. Of the \$32 million owed by the company, the government managed to recover just \$3 million. The remaining \$29 million was written

by federal and provincial politicians for much of the past 15 years. In every province but British Columbia it appears governments are getting out of the business of picking winners and losers. Alberta Premier Ralph Klein has gone as far as to pass legislation prohibiting the practice.

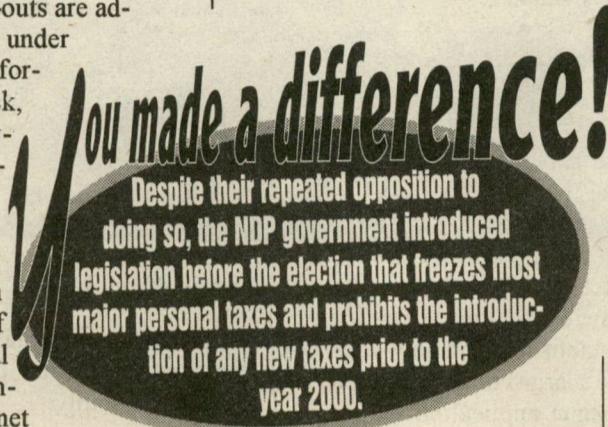
Not so in British Columbia where tax dollars are shovelled off the back of a truck. In fact, Princeton doesn't even need the loan. Its principle partner in the project is Mitsubishi Corporation of Japan, one of the world's largest and most profitable trans-national corporations.

But specifics aside, the larger issue is ultimately about the proper role and function of government. Is it the role of government to play banker with peoples' tax dollars? Is it the role of government to assume risks with tax dollars that private investors are not prepared to take themselves? The answer on both counts is no. Not only can taxpayers ill-afford such profligacy, but these loans place the government in a direct conflict with its legitimate role as a regulator.

The ongoing hearings into the disaster at Westray Mine in Nova Scotia are instructive. Tens of millions of dollars in federal and provincial government subsidies to keep the mine

open clearly placed both governments in conflict with their role as regulators and enforcers of safety standards. As a recent editorial in the *Vancouver Sun* put it: "Direct government financial support to business is too susceptible to political influence ... The solution is not to set up tough criteria ... but for governments to vacate the financing field."

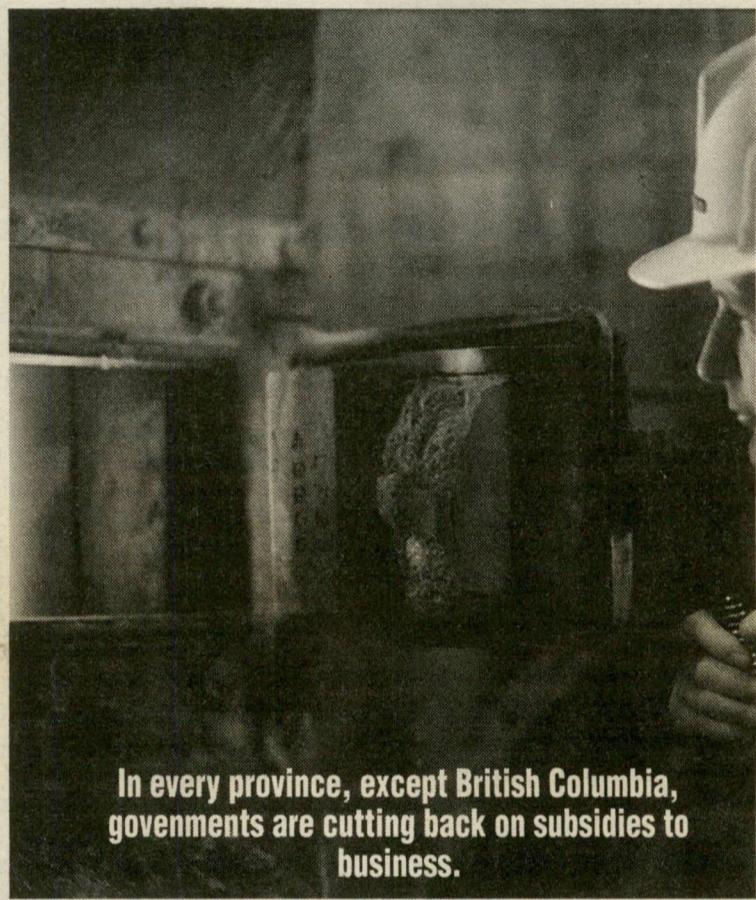
Good advice. However, it appears Huckleberry is a sign of things to come. The government's budget document released before the election shows that the amount of funds available for business loans will triple this year. This from a Premier whose re-election campaign was centred around no giveaways to corporations ... go figure. ■



off by a cabinet order dated May 25, 1994.

You would think someone in government would have learned something from the experience. Guess again.

Premier Clark blamed the failed loan on a bad business decision by the previous government. It's the old "we know better" attitude that has resulted in billions of tax dollars being lost in failed business ventures



In every province, except British Columbia, governments are cutting back on subsidies to business.

\$10.5 million in golden handshakes

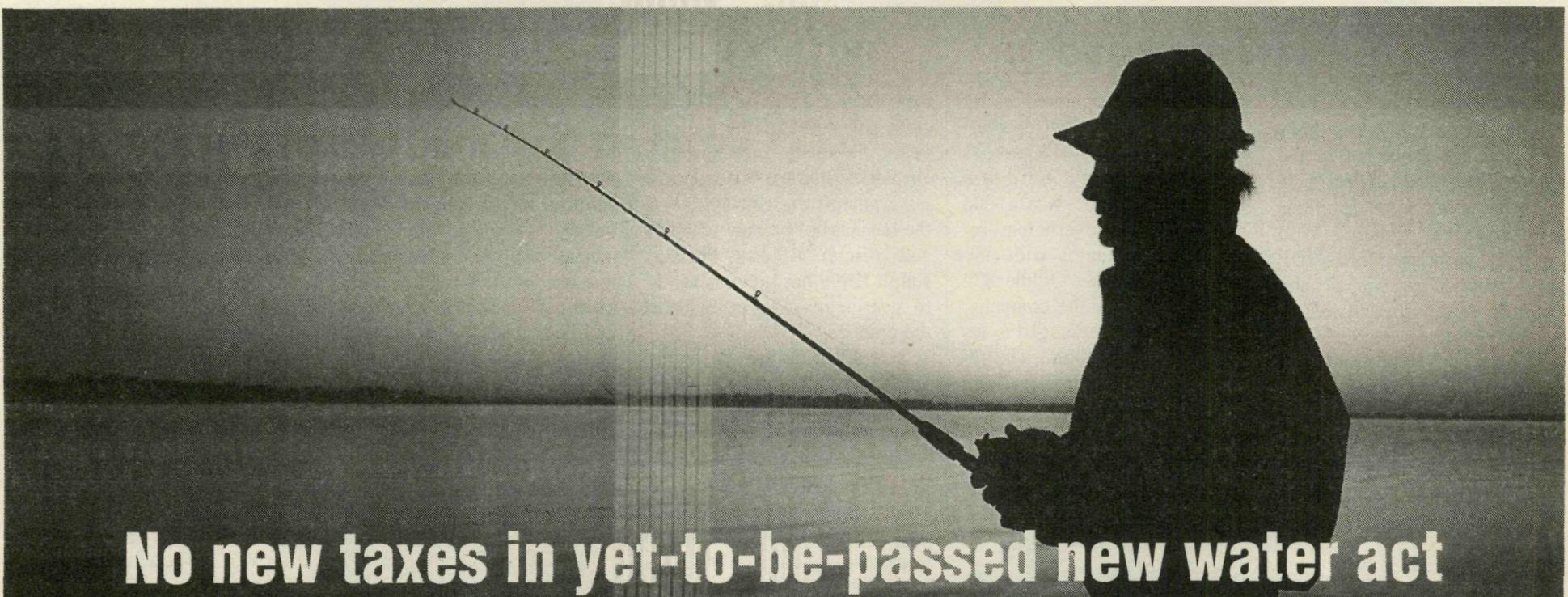
British Columbia taxpayers are on the hook for an estimated \$10.5 million in retirement benefits for defeated and resigning MLAs as a result of the recent provincial election. The Canadian Taxpayers Federation estimates that 12 departing MLAs will collect \$10 million in pension benefits, while 21 MLAs will collect \$646,166 in severance allowances (MLAs not eligible for a pension). First-year benefits will top \$1 million.

Estimated MLA Severance Benefits

Former Member	Estimated Severance	Former Member	Estimated Severance	Former Member	Estimated Severance
Beattie, Jim	\$27,609	Jackson, Fed	\$27,609	Pement, Jackie	\$41,688
Charbonneau, Art	\$46,134	Jones, Ken	\$27,609	Perry, Tom	\$32,211
Chrisholm, Bob	\$27,609	Krog, Leonard	\$27,609	Schreck, David	\$27,609
Copping, Barb	\$27,609	Lord, Margaret	\$27,609	Simpson, Bernie	\$27,609
Cull, Elizabeth	\$56,780	Lortie, Norm	\$27,609	Tanner, Clive	\$27,609
Fox, Len	\$27,609	Mitchell, David	\$27,609	Tyabji, Judy	\$27,609
Garden, Frank	\$27,609	O'Neill, Shannon	\$27,609	Warnke, Allan	\$27,609
Total:					\$646,166

Estimated MLA Pension Benefits

Former Member	Age	Years of Service	Age Benefits Begin	Est. 1st Year Pension Benefits	Est. Benefits at Age 75	Total Estimated Benefits to Age 75
Barlee, Bill	63	8	63	\$30,732	\$41,301	\$405,988
Barnes, Emery	66	23.8	66	\$49,824	\$61,277	\$473,688
Blencoe, Robin	48	13.1	48	\$42,770	\$89,552	\$1,684,747
Edwards, Anne	61	9.6	61	\$34,729	\$51,001	\$593,395
Gablemann, Colin	52	20.8	52	\$52,169	\$97,050	\$1,661,008
Hagen, Anita	65	9.6	65	\$30,930	\$40,357	\$354,583
Hanson, Lyall	66	9.6	66	\$35,904	\$44,158	\$319,272
Harcourt, Mike	53	9.6	53	\$44,793	\$80,902	\$1,333,054
Jones, Barry	55	9.6	55	\$26,520	\$45,148	\$684,153
Marzari, Darlene	52	9.6	52	\$33,614	\$62,533	\$1,206,474
Serwa, Cliff	60	9.6	60	\$28,584	\$41,977	\$509,390
Perry, Tom	45	7.2	52.8	\$24,312	\$42,631	\$653,268
Average:	57	12	58	\$36,240	\$58,164	\$823,259
Total:				\$434,881	\$697,962	\$9,879,105



No new taxes in yet-to-be-passed new water act

by James Forrest

The Water Act, which will update Alberta's 65-year-old legislation and modernize policy with respect to water management in the province, had only reached second reading when the spring sitting of the Legislature ended on May 24th. It will remain on the Order Paper until the fall sitting, when it will proceed through the legislative process and, presumably, be passed.

The original draft bill was introduced last fall, and the current version contains some changes. Some important details will be contained in the regulations, yet to be released, but Mr. Lund, Minister of

Environmental Protection has promised the public will have ample opportunity to give input on the regulations this summer before they come into force.

Of main concern to the Taxpayers Association has been the rumour that some kind of water tax might be implemented. The Department has emphatically denied any such intention for several years now, and the Water Act in fact contains nothing along these lines. User fees for "Water/Wastewater Operator Certificates" appeared in the Environmental Protection business plan, but these refer to the activities of cleaning and dumping water, and are administered under the Environmental Protection and

Enhancement Act. The Department does not anticipate any fees for the registration process being established, and only large farms, which use a large volume of water, will face a one-time application fee for licences.

Other highlights include:

- Protection of existing water licences in good standing;
- Protection of existing traditional agricultural uses of water; a voluntary registration system will permit establishing, and "grandfathering," priority use of water;
- Household water use will take priority

over all other uses;

■ Water management planning required for the province with public input and regional flexibility;

■ Licensing and approval of uses and diversions streamlined; transfer of licences allowed where available water is fully or almost fully allocated, but only under an approved water management plan or Order of Cabinet, and only after the request passes a review process;

■ Inter-basin transport and export to the US prohibited. ■

Taxpayers win fight to outlaw government loans

Taxpayers Association gives Premier thumbs up for legislation prohibiting the gambling of tax dollars in business ventures

The Business Financial Assistance Limitation Statutes Amendment Act 1996, passed on May 24th, is groundbreaking legislation which will serve to protect taxpayers' dollars from political forays into business ventures.



Klein moves to stop business subsidies.

The Alberta government should be commended for leading the way in Canada.

"Premier Klein is one step closer to fulfilling his promise to 'get government out of the business of being in business' with passage of this Act," Association spokesman James Forrest stated. "Taxpayers should be encouraged that their continued pressure on the government has culminated in statutory changes limiting the use of valuable tax dollars to finance private business."

Forrest referred to the long-running campaign by the Taxpayers Association for government to cease the practice of meddling in business with public funds. Last summer the Association called on the government to enact 'No More Boondoggle' legislation following the half-billion dollar loss on the Swan Hills Waste Treatment Plant. Passage of this act demonstrates that taxpayers have won a victory. The legislation prohibits new loans and guarantees from being issued without the passage of specific

legislation, ensuring full public debate. It also forces a legislative review of any program, act or agency currently permitted to grant loans or guarantees before 1999.

"It is fitting that the province of Alberta should lead the way in handcuffing its politicians, preventing them from gambling tax dollars in private business ventures, since Alberta has led the nation in throwing money away on 'economic diversification' boondoggles since the eighties," continued Forrest.

"Taxpayers have lost over \$2 billion - money which could have gone to programs or deficit reduction."

Forrest cautioned that while the

You made a difference!
In May 1993, after an extensive petition campaign, Alberta taxpayers forced provincial MLAs to scrap their pension plan which at the time was one of the richest political pensions in North America.

legislation eliminates the ability of cabinet to unilaterally approve loans and guarantees, existing bodies, such as the Alberta Opportunity Company and the Alberta Treasury Branches, are still able to put tax dollars at risk. While these bodies must face legislative review by 1999, taxpayers will need to continue to be vigilant and hold them accountable. ■

Albertans choose the moral high ground

by James Forrest

The "Straight Talk, Clear Choices" questionnaire, mailed to 1.1 million homes in February, asked Albertans how the provincial government should "reinvest" extra dollars freed-up from interest costs because of two years of debt paydown. The government recommended a split between targeted spending and tax cuts. Other survey options were tax cuts, targeted spending, accelerated debt reduction, or all three.



The original intent of the Heritage Fund was to save money for the time when resources became depleted.

It shouldn't be surprising that the most popular response - clearly - was debt reduction. Albertans are, traditionally, fiscal conservatives.

It bothered over 80% of the voters in the 1993 provincial election, who supported "drastic" or "brutal" spending cuts to eliminate the deficit, that future taxpayers were being left with the bills of almost a decade of government overspending. Worse, expenses had also been subsidized by resource revenues; this too was unfair to future generations since those resources were non-renewable. The original intent of the Heritage Fund was to save some revenues for the time when resources became depleted.

Albertans said in 1993, and are saying now, that deficits were immoral, and that their giant offspring, debt, is just as wrong. There is no such thing as "extra" money while debt exists.

But some are having difficulty interpreting the survey. They claim that Albertans' priorities are not represented because only 61,244 responded (5.6% of the surveys). Many Albertans believed the government would do what it wanted anyway.

But the results were made public. Contradicting voters' desires would be political suicide with an election on the horizon. It's up to citizens to participate if they want their opinions heard. Moreover, it's just as possible that many

didn't respond because they trust the government's judgement. As well, each response reflects a household, which means that approximately double the number of people are represented. Finally, a 5.6% response rate for a mail-out is actually quite good: only 73,666 replied to the 1.1-million Heritage Fund questionnaires, and their recommendations are currently being followed.

There are other problems with the survey. Its structure confuses the results; the only certainty is that faster debt reduction is a priority for most.

The presentation of the tax cuts option, that revenues would be reduced forever, discouraged its choice. This statement ignores the argument that taking less from people would stimulate the economy, currently weakest in the consumer-driven retail sector, create jobs, and increase the number of taxpayers. Furthermore, just as deficit financing effectively defers taxes to future citizens, reducing debt is the same as a tax cut, just delayed.

Finally, a case can be made that the incessant, negative portrayal of spending reductions by

special interest groups, whose benefits are threatened, perhaps prompted some to choose "targeted spending." These groups, which have never proved their allegations of crippled programs, have carefully omitted discussing pre-1993 problems, and have never demonstrated that their job-killing, tax-increase proposals would improve Albertans' standard of living. It's perplexing that remuneration now seems to be a priority for reinvestment for some of them.

Albertans will see in next year's budget how the government "interprets" the survey. With a boom in oil prices and a healthy year-end surplus for 1995-96 expected, it's a good thing that the surplus must, by law, go to the debt. Even though Albertans want the debt monster tamed, the recent Redwater by-election performance makes it obvious there are still some politicians who believe they can buy votes by spending our money. ■

You made a difference!

After tremendous pressure from the ATA, the Alberta government passed its boondoggle legislation which limits the government's ability to hand out business subsidies.

Citizens' initiatives gaining ground in Alberta

Dr. Lorne Taylor's bid to enhance the democratic rights of Alberta taxpayers through his private member's bill, the Citizen's Initiative Act (CIA), was defeated in a close vote (33

MLAs opposed, 28 for) on April 30th. The result was an improvement over the fate of MLA Jon Havelock's CIA bill in March, 1994, when that effort was defeated 40 to 24. It seems

that 4 MLAs were persuaded that objections raised in 1994 had either been accommodated in Taylor's version, or were outweighed by the benefits of providing an avenue for greater citizen involvement.

Taylor's CIA bill established a process whereby citizens could petition to hold a province-wide vote on a proposed law which, if voters favoured the proposal, would cause a bill to be introduced in the next sitting of the Legislative Assembly. The initiative petition would be invalid if it required spending public money or increasing taxes, if it contravened Charter rights, if it was the same or similar to another petition held within the previous three years, or if there were five outstanding petitions still to be voted on. The petition had to contain signatures of electors, collected within 180 days of application, amounting to at least 10% of votes cast in

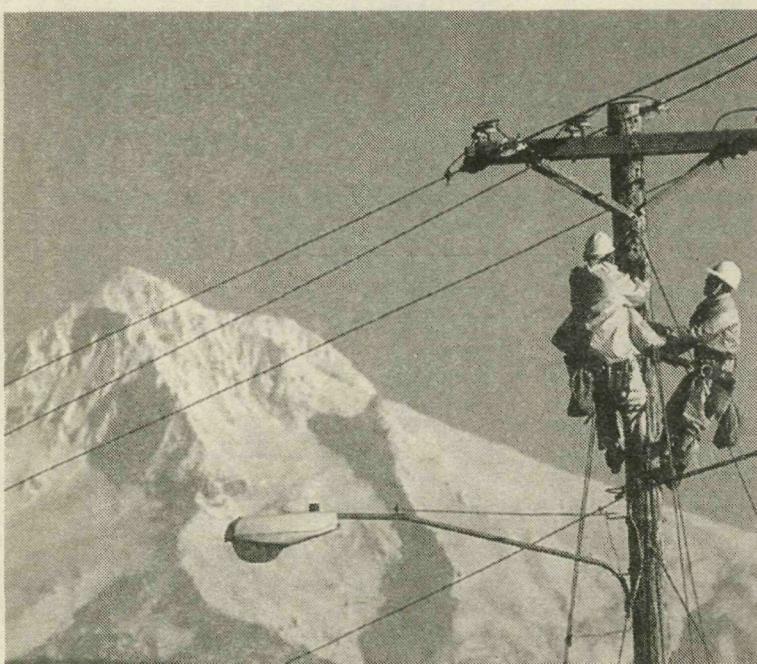
the last provincial election and 10% of the votes cast in at least 2/3 of the province's electoral divisions.

A successful initiative petition would trigger a vote. If more than 60% of those voting and more than 60% of those voting in at least 2/3 of the electoral divisions agreed, the government would have to introduce a bill concerning the petition's proposal. Taylor's bill also contemplated regulations about financing and advertising (for or against) both the initiative petition and the actual election. Finally, the bill specified that providing false or misleading information, intimidation, and buying signatures were offences.

It's certainly encouraging that Taylor's CIA came close to passing. But it had to be styled as a watered-down version of true direct democracy to even come close. There is no obligation for the government to

pass into law the bill they would be forced to introduce under a successful CIA petition and election. The signature and voting requirements are overly stringent. And citizens should be given the opportunity to petition to vote on or change existing or pending laws, not just to introduce new ones.

Dr. Taylor obviously recognized that many politicians still regard direct democracy with suspicion. Albertans will just have to keep demanding they be given a method to contribute, and support efforts like MLAs Taylor and Havelock. ■



Albertans want the right to control their own future. © 1995 Alberta Taxpayers Association

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James Forrest

Provincial budget reveals no tax relief in sight

by Moira Wright

In the months leading up to March's budget address the news was filled with predictions of doom and gloom for the province. For example, in January Premier Romanow warned that spending on health, education,

and social services would have to be cut, pointing to the cuts in federal transfer payments. As a result, when Finance Minister MacKinnon introduced a balanced budget, did not increase taxes, and did not significantly diminish spending for health,

education, and social services, some gave a collective sigh of relief.

However, upon closer scrutiny, the taxpayers of Saskatchewan should be more concerned with what is not in the latest budget, namely, tax relief. The budget documents, and the government's accompanying four-year plan show no commitment to lower the enormous tax burden faced by the residents of this province.

One need look no further than the Finance Minister herself for support of a direct connection between tax relief and economic activity. In her budget speech, Ms. MacKinnon stated her government had proven "targeted tax incentives work", citing a reduction of the aviation fuel tax that last year resulted in an 80% increase in business for Saskatchewan-based aviation fuel dealers and the creation of new jobs. It seems that politicians of all stripes are now ready

to admit that even small tax cuts result in jobs, which makes the government's lack of commitment on the tax reduction front all the more baffling.

In our modern economic environment, no province can view its fiscal situation in isolation. People and businesses can easily move to better opportunities in other regions of the country. Our economic and tax

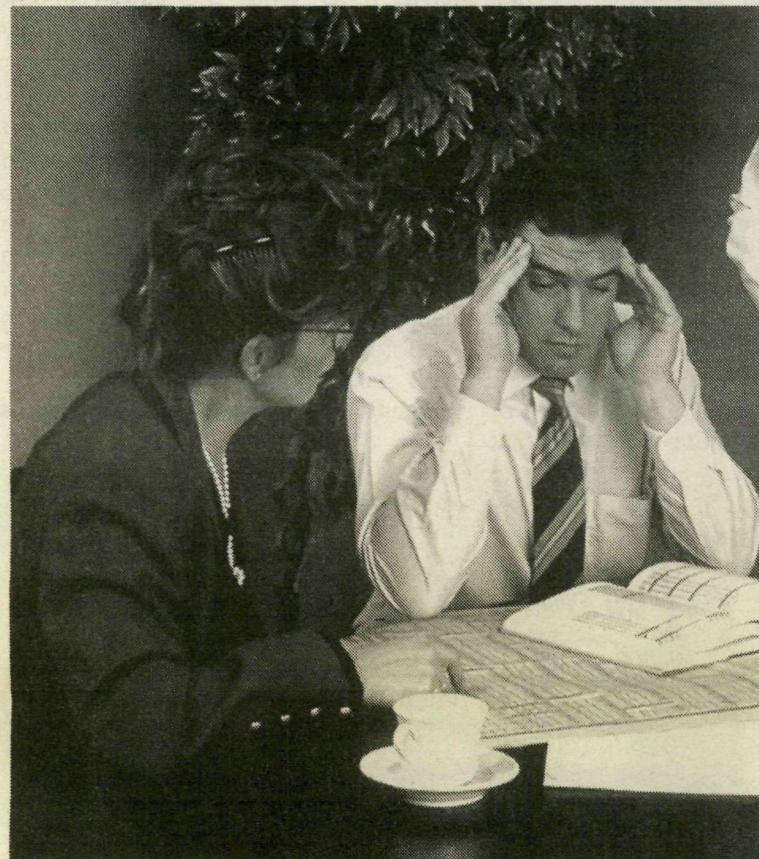
wan have the highest personal tax burden west of Quebec. Provincial taxes on even the lowest income earners are 34% higher in Saskatchewan than Alberta. Middle income earners pay 35% more, and a higher income family pays 41% more.

What does all this mean to your household budget? A middle income family pays \$2,105 more in provincial income, sales, and gas taxes than the same family in Alberta.

Even after a health care premium of \$816, the Alberta family keeps an extra \$1,289 per year.

While Finance Minister MacKinnon should be commended for balancing the budget, and for setting out a four-year financial plan to take us into the next century, we urge the government to expand this exercise. Why not set out a specific plan of tax relief for families, which would reduce the PST and the income tax burden? ■

Moira Wright is the Executive Director of the Saskatchewan Taxpayers Association. She is based in Regina.



Saskatchewan citizens pay the highest taxes west of Quebec.

You made a difference!

After extensive research by the Saskatchewan Taxpayers Association on the very questionable handouts of the Saskatchewan Futures Corp. it was closed down by the provincial government.

climate must stand the test of competition with our lower-taxed neighbours. Without significant tax reductions, the Alberta tax advantage will continue to draw jobs and investment from Saskatchewan.

Budget documents indicate that the residents of Saskatchewan

1996 intercity comparison of taxes

(Source: Budget Address, March 1996)

	Vancouver	Calgary	Saskatoon	Winnipeg	Toronto	Montreal	St. John	Halifax	Charlottet'n	St. John's
Single Person at \$25,000 total Income										
Provincial income tax	\$1,536	\$1,456	\$2,009	\$2,021	\$1,696	\$2,522	\$1,872	\$1,740	\$1,740	\$2,018
Tax credits & rebates	0	0	0	(275)	0	(270)	0	0	0	0
Health premiums	432	408	0	0	0	0	0	0	0	0
Retail sales tax	364	0	452	437	524	618	663	643	565	916
Gasoline tax	140	90	150	115	147	167	107	135	120	165
Total Provincial Taxes	\$2,472	\$1,954	\$2,611	\$2,298	\$2,367	\$3,037	\$2,642	\$2,518	\$2,425	\$3,099
Family of Four at \$50,000 Total Income										
Provincial income tax	\$2,822	\$2,661	\$3,726	\$3,316	\$3,118	\$2,757	\$3,441	\$3,099	\$3,199	\$3,710
Tax credits & rebates	0	0	0	(250)	0	0	0	0	0	0
Health premiums	864	816	0	0	0	0	0	0	0	0
Retail sales tax	754	0	920	886	1,067	1,246	1,327	1,289	1,143	1,803
Gasoline tax	280	180	300	230	294	334	214	270	240	330
Total Provincial Taxes	\$4,720	\$3,657	\$4,946	\$4,182	\$4,479	\$4,337	\$4,982	\$4,658	\$4,582	\$5,843
Family of Four at \$75,000 Total Income										
Provincial income tax	\$5,674	\$5,277	\$7,332	\$7,280	\$6,268	\$8,580	\$6,917	\$6,430	\$6,430	\$7,457
Tax credits & rebates	0	0	0	(250)	0	0	0	0	0	0
Health premiums	864	816	0	0	0	0	0	0	0	0
Retail sales tax	994	0	1,222	1,161	1,367	1,616	1,735	1,687	1,496	2,340
Gasoline tax	280	180	300	230	294	334	214	270	240	330
Total Provincial Taxes	\$7,812	\$6,273	\$8,854	\$8,421	\$7,959	\$10,530	\$8,866	\$8,387	\$8,166	\$10,127

Saskatchewan's Crown Corporations being reviewed

by Dr. Mark Lee

In May of 1996 the Government of Saskatchewan announced it will conduct a long-awaited review of the provincially-owned Crown corporations in a series of townhall meetings. Ten of these meetings will be hosted by a four-person committee appointed by the Romanow government to provide guidance on the economic direction. The remaining two meetings, which will be held in Regina and Saskatoon, will largely consider input from special interest groups, such as labour and business. The public consultation will be followed by a series of private evaluations of the Crowns, to be conducted by

external financial consultants.

The review process itself will focus on five Crown corporations: Sask Tel, SaskEnergy, Sask Power, Saskatchewan Government Insurance (SGI), and Saskatchewan Transportation Company (STC). There are a number of people who are speculating that these five are being considered for possible privatization. Given the positive press received by the government with the recent sale of its Cameco shares, and the corresponding reduction in the provinces debt and carrying charges, there seems to be a renewed acceptance of privatization in Saskatchewan.

Given this renewed interest



By privatizing Crown Corporations, the provincial government could start paying down its debt & reducing the province's oppressive tax load.

in the possible privatization of these Crown corporations, it would be worthwhile to look at how much the province could expect to receive from such a sale, and the resulting reduction in interest payments that would result.

While establishing the sale price of a company can be quite complicated, there are a few techniques which can be used to establish an approximate sale price. The most common rule-of-thumb technique is the Price/Earnings (P/E) ratio, which compares the price of the company's shares to its actual net earnings. The P/E ratio is listed for publicly-traded companies in the financial section of most newspapers on a daily basis. Table 1 (below) shows the estimated sales price for each of the Crown corporations under review, using a safe estimate for the P/E ratio.

When privatizing perennial money losers like Saskatchewan Transportation Company (STC) the establishment of a sale price gets a bit more complicated. Generally, the price would be established by the value of the company's assets. The sales price for STC would be based on the net value of its buses, delivery trucks, and any real estate it may have. Based on STC's

1995 financial statements, the company had \$18.5 million in assets, and \$16.2 million in debts, which means the sales

payments it receives from these Crowns every year, which this year amounted to about \$161.5 million, if these companies were sold.

However, the \$240 million the government would be saving in annual interest payments more than offsets the dividends received. Moreover, these companies would

have to start paying taxes, which could bring up to \$30 million per year in revenue to the government.

Many taxpayers in Saskatchewan have long advocated the privatization of Crown corporations as a method of reducing the huge debt burden facing the taxpayers of this province. Moreover, as the public debt is retired, the annual interest costs will shrink accordingly, which will enable the province to ease the excessive taxes being paid by Saskatchewan residents. ■

You made a difference!

The STA exposed the policy that allowed MLAs to keep their constituency office & equipment. The policy was revoked by the Saskatchewan government in the fall of 1992.

price of the company would be around \$2.3 million.

Based on the estimated sales prices, the government would realize about \$2.4 billion from the sale of these five companies, which means the government would save about \$240 million a year in interest payments. The critics of privatization have charged that the government would be foregoing the dividend

Potential selling prices for Saskatchewan Crowns

Crown Corporation	Industry average P/E Ratio	Conservative estimate P/E Ratio	1995 Operating Profit	Estimated Sale Price
	(A)	(B)	(C) = (A) x (B)	
SaskTel	17.3	15.0	\$67 million	1.0 billion
Sask Energy	11.0	10.0	\$57.7 million	\$577 million
Sask Power	12.1	10.0	\$80 million	\$800 million
SGI	12.0	10.0	\$4.3 million	\$43 million
STC	n/a	n/a	(\$5.4 million)	\$2.3 million

Total: \$2.422 billion

The Crown construction tendering agreement revisited

Just prior to last year's provincial election the NDP government introduced the Crown Construction Tendering Agreement, which required contractors bidding on large Crown projects to pay union wages and benefits, and forced these contractors to hire 75% of their workers from union hiring halls.

The tendering policy was met with outrage from the contractors and concerned groups around the province. The contractors claimed that this policy would add an additional 15 to 20% to the cost of construction for Crown projects. The government responded with denials of the contractors assertions, and claimed the policy was fair and created a level playing field. However, recently leaked documents from the Saskatchewan Department of Economic Development re-

vealed that the government was advised the adoption of the new tendering agreement would drive up construction costs by up to 30%.

The documents indicate officials from economic development recommended in November of 1994 that the proposed tendering agreement be scrapped before it was started. Specifically, officials were concerned that: 1. the tendering agreement did not represent a greater commitment to "fair and open" tendering of government construction contracts; 2. the tendering policy was a "union preference policy," rather than a "fair wage policy;" and 3. the tendering policy would give unionized workers 15 to 20% more work than before, and an extra \$7.5 million to \$12 million in profits to the unionized companies.

The leaked documents also indicated there was a concerted effort by Crown Investment Corporation to sell the Crown Construction Tendering Agreement to the public. The sales strategy included briefings for a variety of groups, from contractors to newspaper editorial boards. It called on CIC staff to prepare an article for the NDP party's magazine, and included a letter writing campaign to newspaper editors in support of the agreement, all of which adds up to an abundance of effort to manipulate the public's opinion of a questionable policy.

The government has dismissed the leaked document as being too old to be taken seriously because it "was in a very early stage of the discussion on the Crown tendering proposal..." Moreover, they dispute the claim that the tendering

agreement has driven up costs, saying there have been no cost increases involving the \$30 million of projects tendered last year under the agreement.

Armed with evidence from non-union contractors, the opposition parties are claiming the policy has driven up costs by as much as \$172 million on \$572 million worth of Crown construction projects. If even 10% of these claims are true, such costs are unacceptable to the taxpayers of this province! ■

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Manitoba balance sheet

ASSETS:

Regulatory reforms

Government Services Minister Brian Pallister and the Regulatory Review Committee have targeted 133 regulations and 297 government forms for elimination, consolidation, and streamlining.

These reforms will give a boost to businesses spared from the costs of over-regulation and red tape burden. Taxpayers will also benefit from projected savings in government time and resources.

By eliminating some of the red tape, the need to maintain legions of bureaucrats to administer government regulations should diminish proportionately.

Ripping off youth

Tax anarchy takes hold on Generation X

by Victor Vrsnik

If the baby-boomers got the gold mine, Generation X got the shaft.

Overspending by the 1960s generation has placed a terrible burden on young Canadians and the unborn. Generation X will pay higher taxes for fewer services, and see fewer jobs in a debt-depressed economy.

The menace of the debt combined with the demands for higher payments to the Canada Pension Plan represents a huge inter-generational transfer of wealth.

Wary of an uncertain future, young people in the 90s find themselves locked not only in the shadow of the baby-boomers but also in a generational tug-a-war.

A recent survey indicated that 28% of Canadians aged 18-24 resent paying taxes. With youth unemployment running nearly double the national average, Generation Xers are fed up with supporting the excesses of past generations.

Changing demographic patterns are at the source of the disturbance. The labour force is expected to drop by 10% as the baby-boomers retire. Consequently, a fewer number of workers will be expected to pay more in pension contributions. Generation Xers fear they will be left holding the bag as the baby boomers loot what's left of the CPP.

In 1967, there were six CPP-paying Canadians under the age of 20 for every person over 65. By 1995 that ratio has dropped to 2.3 to one. By the year 2030, there will be one Canadian under the age of 20 for every person over 65. What would compel young people today to support high pension contributions for one generation at the cost of diminishing services for themselves and their contemporaries?

Referendum allies

To the delight of the direct democracy movement, an unlikely cast of characters have come out in favour of referendums. NDP House Leader Steve Ashton teamed up with Columnist Frances Russell to challenge the government to hold a referendum on the sale of the Manitoba Telephone System. But, in one of her columns, Ms. Russell objected to referendums in the context of teacher contract disputes.

Councillors Bill Clement and Amaro Silva have also championed the referendum cause. They were confident Winnipeggers would vote in favour of a proposed "gas tax" to finance residential

road repairs. But it has been only two months since the same two Councillors voted against a motion to reintroduce money by-laws and referendum legislation on capital projects.

What inspires Ms. Russell to favour a referendum on privatizing MTS, but not a referendum on government spending or teacher contract disputes? What inspires the two Councillors to say "yes" to a referendum on a gas tax, but "no" to money by-laws and referendum legislation?

Under the circum-

stances, it appears referendums are good when used to upstage your political opponents or plunder the taxpayer, and bad when used as a measure of accountability and control over government spending. ■

You made a difference!

The MTA actively pressed for disclosure of all taxpayer-subsidized salaries. In May, 1996, the provincial government announced salary disclosures for all union & public employees earning over \$50,000.

Canada's youth are becoming less willing to pay taxes.



\$20,109 than it was in 1984 at \$19,853.

The contours of a black market landscape are starting to take shape. Sixty-five percent of those surveyed would pay cash to avoid the GST, and 35% would buy illegal smuggled cigarettes and liquor.

For an increasing number of Canadians, the risk of getting caught cheating on their taxes is outweighed by the costs of forfeiting increasing amounts of personal

income to government. We've reached the point of diminishing returns.

Tax avoidance is most acute with respect to visible taxes like the GST. The more aware people are of particular taxes, the greater the willingness to cheat. This explains why the Liberal government wants to hide its sales tax in the sticker

it's that our slow-growth economy is fostering a new breed of self-motivated individualists. Ten per cent of those in the work force are now self-employed. Many young Canadians are finding their own way without government assistance but resent the fact that special interest groups are plundering the national treasury at everyone's expense.

Tax avoidance is common to every generation, but never have the stakes been so high. The rising expectations for Generation X to shoulder the tax burden in the future has spurred waves of young Winnipeggers to leave the City in search of employment and lower property taxes. Winnipeg has earned a reputation for charging some of the highest property taxes in the world. This places the City's tax-base in jeopardy as young people are discouraged from buying a home within City limits.

To avert the threat of widespread tax revolt and black marketeering among young Canadians, government will have to move fast to restore a satisfactory level of public faith in the system.

Government should accelerate debt repayment, reduce taxes with a matching cut in spending, and replace the CPP with a mandatory retirement savings plan if public finances are to be repaired in time for Generation X to adjust to the challenge of a dramatically aging and state-dependent society. ■

price of the reformed GST.

The growing obsession to cheat has earned these Canadians the moniker of tax-anarchists. Unlike their spend-happy parents who borrowed money out of future generations' bank accounts, today's youth have been conditioned to expect less from government. They believe that government should expect little in return.

If there is a silver lining to be found,

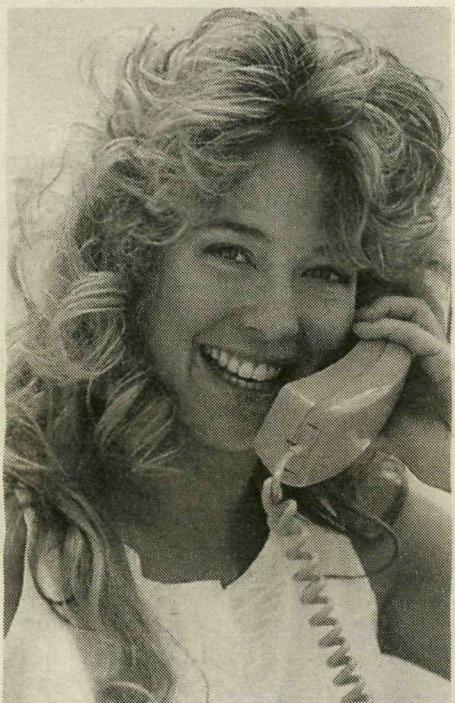
Victor Vrsnik is a researcher for the Manitoba Taxpayers' Association. He is based in Winnipeg.

Tender Tendering

Home care and telephones teach Tories to let everyone compete

A battle of words dominated the recent home care strike. Opposition leaders called the strike "a battle against health care for-profit," while Health Minister Jim McRae argued that "profit is not a four-letter word."

The proposal to require competitive bidding for 25% of Winnipeg's home care services is accurately described as "contracting-out." Instead, the Opposition and some media outlets quickly settled on "health-care privatization" as a more sinister description for the government proposal.



Taxpayers are smiling with MTS on the auction block.

In fact, Manitoba already contracts out some home care services. The private, non-profit Victorian Order of Nurses (VON) has had a \$10-million untendered annual care contract for over a decade. So the only news in the government proposal was that, for the first time, more contracts would be open for competition. This news was enough to put 3,000 civil servants on the picket line.

Meanwhile, at a May 2 press conference, the Manitoba Telephone System was put on the auction block. Rumours that AT&T was the buyer were way off. Instead, the MTS shares will be offered on the Toronto Stock Exchange. Manitoba residents, MTS employees and former employees will receive early-purchase advantages, and there will be a 20% limit on individual ownership.

The government clearly expected a whirlwind of opposition to the sale. They were not alone. Judging by his fiery rhetoric at the press conference, Opposition House Leader Steve Ashton expected something approaching a near-revolutionary response from Manitobans. But strangely, all is quiet on the telephone front. There are no pickets, no demonstrations and no spin battles in local media. Rumour has it that MTS workers in many departments cheered when they heard the news. Behind the scenes, many union leaders praised the opportunity for employee ownership.

From one set of unionized government workers - cheers. From the other - fears. What was different?

The difference was cultural. At MTS, liberalized CRTC regulations and government restructuring had changed the way employees worked. Roughly 77%

because pro-competition employees had no outlet to turn to. Union negotiators, not innovators, were driving the agenda in the negotiation phase.

So, less than a week before the strike, the government did what it should have done before negotiations even started. It publicly offered to postpone the contracting-out process by 60 days, and offered technical assistance to any worker who wanted to compete. But the battle lines had already been drawn. Too late!

Contracting-out processes in Phoenix, New Zealand and Indianapolis have proven that taxpayers have nothing to lose and everything to gain by preparing civil servants for competition. Many workers are willing to compete - and lose, if necessary - if they have adequate time for the transition. The government's offer of time came too late to do any pro-competition home care workers any good.

Governments can introduce competition or privatize services, and do it with the support of employees. Look at MTS. By allowing employees the time and opportunity to compete, everyone will win from the MTS sale. The government will have reduced the debt, increased the tax base and rejuvenated the free market while still ensuring that services are provided. The employees have a chance to keep or even raise their paycheques, but not at taxpayer expense. Private companies are free to offer the same service without having to compete with publicly subsidized businesses. ■

of the services offered by MTS are in competitive markets: long distance (vs. Sprint, Unitel), cellular (vs. Cantel), the internet, etc. So MTS was forced to improve policy, management and service. But slow government decision-making and low capital reserves were slowing improvements and new technology development. MTS's debt is a whopping \$800 million. Privatization will slash that.

But home-care workers are in a totally protected environment. Contracting-out was something done to "some other home care departments." VON received contracts without competition. Civil service workers lived in a totally different world from their private-care cousins. These same civil servants found out about their new competitive status with little warning. This hurt the move to competition,

Surplus Speculation

MTS sale profits make big tax cuts safe for Manitobans

by Brian Kelcey

Manitoban taxpayers are paying \$575 million in interest this year to keep up with our \$7.3-billion debt.

If we want to see tax cuts, there are two routes to go. We can cut taxes and hope that the corresponding growth will be enough to maintain debt repayments, or we can wait until our massive interest burden is re-

duced through debt repayment, which will allow for tax reductions. Currently, interest payments on the debt consume over 10% of Manitoba's budget, or about \$575 million.

Tax-weary Manitobans would probably prefer fast tax relief. But the good news is that "slow, safe" relief isn't too far around the corner. Thanks to the imminent sale of the Manitoba Telephone System under a local investor preference plan, the Province is reversing the tide of our crippling debt.

Remember, Manitoba's debt is still growing. It is still compounding interest. And most of Manitoba's debt is owed to bondholders. Bondholders only get money from a bond - e.g., from the Province - when it "ma-

tures" after a certain date. So if you hold a bond due in 2002, the government can't repay you immediately - your bond isn't due until 2002. The only way to get a head start on debt repayment is to put money in the bank to collect interest and keep it there until 2002.

The chart compares the 1995 plan for debt repayment to repayment under new 1996 long term surplus projections. These numbers are speculative, assuming that every dime of surplus tax money will go to debt repayment, including \$300 million from the MTS sale, and use the government's projections for interest - 8.5% interest on money in the bank and 9% interest on money owed. By 2002, finance expenses could

be reduced by \$131 million. This figure represents about 10% of Manitoba's 1996 income tax revenue. Under the 1995 plan, it will take Manitoba

until 2028 to repay the provincial debt. ■

Brian Kelcey is a research associate with the Manitoba Taxpayers Association. He is based in Winnipeg.

Repayment of Manitoba's debt

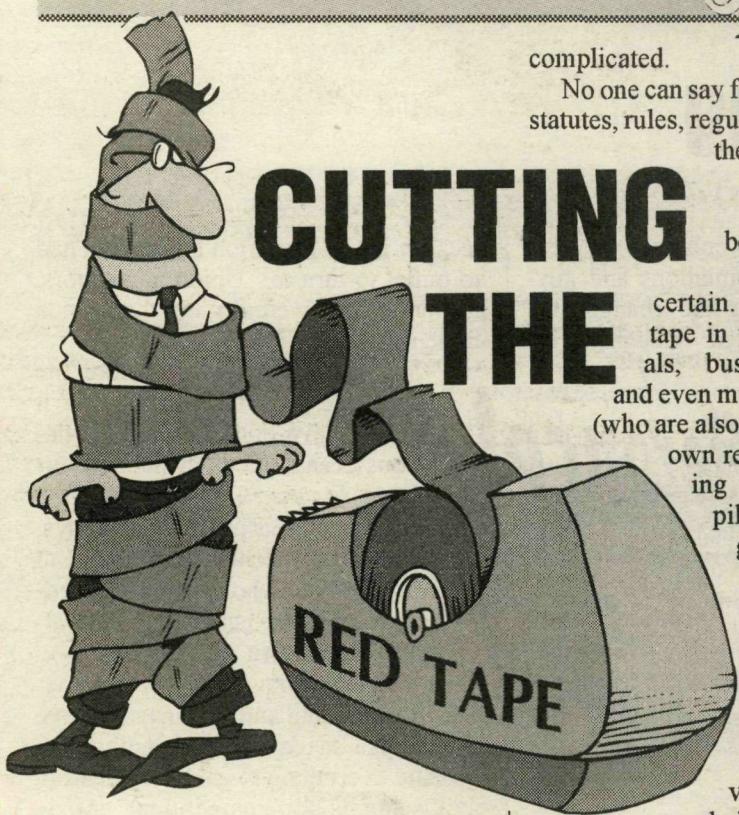
Fiscal Year Ending	1995 Payment Plan	1996 Projections	Interest on Projected Payments to Fund
1996	-	\$120	\$10.2
1997	-	\$442	\$37.57
1998	\$75	\$460	\$39.1
1999	\$150	\$598	\$50.83
2000	\$225	\$921	\$78.285
2001	\$300	\$996	\$84.66
2002	\$375	\$1,071	\$91.035
Repayment 2002	\$444	\$1,462	\$391.7

Figures are in millions of dollars. In our projection, we assume payments of \$75 million annually after the year 2000, as called for in the 1995 plan. The 1995 plan repayment figure includes interest accumulated from the Debt Reduction Fund.

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CUTTING THE

by Paul Pagnuelo

That choking sound you hear is coming from the business owner who's being strangled by government.

The land of red tape. For bureaucrats it's heaven. For everyone else it's hell.

In today's high-tech world, the one obstacle that can slow progress to a snail's pace is government red tape.

In Ontario, the provincial government has been introducing up to 1,000 new regulations and amendments each and every year. Add to that the permits, procedures and other forms of red tape that one runs into every day, and it's no wonder that life has become unnecessarily

complicated.

No one can say for sure just how many statutes, rules, regulations and guidelines the provincial government has sitting around on its books.

But one thing is for certain. With so much red tape in the system, individuals, businesses, institutions and even municipal governments (who are also great at creating their own red tape), end up wasting precious time and a pile of money. But a government commission hopes to lessen the burden of complying with provincial requirements and paperwork.

The Red Tape Review Commission, chaired by MPP Frank Sheehan, is on a mission to loosen the government's stranglehold. Its mandate is twofold. Currently the commission is reviewing all existing red tape measures, with a view to eliminating those that can be justified. But its second and, perhaps, even more important job is to change the way regulations are designed and implemented. A process which will ensure that any unnecessary and unfair rules proposed in the future never see the light of day, and that the benefits of any new government requirements outweigh the costs to business, citizens and the government.

The commission's objective is to strike a balance between essential rules

Tax Fact:
According to 1992 data, the Ontario government uses more than 43,000 different forms, costing \$21 million a year to print and \$1.5 billion a year to process.

and regulations and the need to keep Ontario competitive, without compromising public health or safety.

According to Sheehan, an Ontario government study found that small business owners and their employees spend the equivalent of between four to eight working weeks a year filling out forms and complying with government regulations. And he says the Canadian Manufacturing Association has estimated it costs their members over \$20 billion annually to comply with regulations in Ontario. If this money could be spent on creating new jobs rather than red tape, some 57,000 more Ontarians would be working today.

The red tape jungle that currently exists is hurting Ontario. It forces the prices of goods and services to be higher than necessary. It makes for a bloated and expensive government bureaucracy and high taxes. It creates longer waiting times for government services. But its most damaging effect is the negative impact it has on job growth. Red tape discour-

Tax Fact: The average total compensation for high school principals in the Metro Toronto area is \$109,000; on a pre-tax equivalent basis the total compensation for federal MPs is \$122,998.

ages businesses from setting up shop in Ontario and from expanding existing operations in the province.

Reducing government red tape will result not only in a more efficient public service but a more positive business environment. And that means new investment, business growth, jobs and, as a result, more tax revenues for Ontario.

Sheehan says the commission wants to hear from individuals, businesses, associations, and institutions with specific examples of where to cut government red tape. You can call his Queen's Park office at 416-325-8640 or simply fax him at 416-325-8639.

No complicated forms to fill out in triplicate and no red tape. How novel! ■

"Mad cash cow" disease attacking Ontario municipalities

Ontario government urged to corral tax-grab virus

A newly discovered 'Mad Cash Cow' disease sweeping Ontario municipalities will hurt taxpayers and paralyze economic recovery, according to the Ontario Taxpayers Federation.

Paul Pagnuelo, the federation's executive director, said cash-hungry municipal governments are showing they can't be trusted with the new broad powers to impose fees and charges given them under Bill 26.

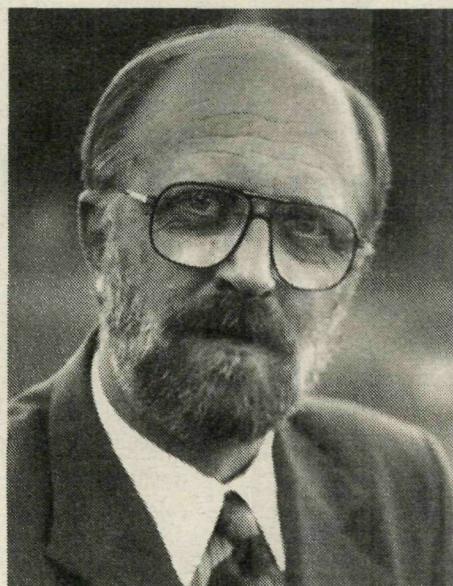
"Some user and license fees which municipalities are entertaining are nothing more than a blatant, discriminatory backdoor tax grab."

As an example, he said the City of Sarnia was poised to slap a \$1,000 annual license fee on off-site Automated Banking Machines located in retail outlets. The fee initially approved in early March was later rescinded by the Sarnia Council when the issue was reviewed because of public pressure.

Reports indicate that several other Ontario municipalities are targeting the

profitable financial institution sector, phone companies and camp grounds as a means of coping with lower provincial transfer payments.

"Rather than prioritizing services and



Paul Pagnuelo

finding more efficient and cost-effective ways of delivering them, some municipalities are choosing the easy way out by creating new revenue schemes," Pagnuelo said. "The potential for new imaginative fees is limitless unless the provincial government moves immediately to inoculate taxpayers before the 'Mad Cash Cow' disease reaches epidemic proportions."

Pagnuelo said the Harris government has a responsibility to taxpayers to enact regulations which will ensure that any user and license fees are revenue neutral and strictly tied to specific services or activities the municipality provides in exchange for the fee.

"If a particular service is now moved to full cost-recovery on a fee basis, then municipalities must be forced to return any portion previously funded by taxpayers through general revenues by lowering property taxes."

He said the province should corral

any municipality that exhibits symptoms of the 'Mad Cash Cow' disease by reducing transfer payments dollar-for-dollar for any user or license fees which are designed to be nothing more than a cash grab.

"Some municipal politicians still can't break the habit of milking taxpayers," Pagnuelo said. "Harris must quarantine 'tax and spend' municipal politicians or otherwise be prepared to see the economic benefits of his 30% tax rate cut poured down the drain." ■

Tax Fact: This year an average Ontario family of four with two children under 18 will pay 50.9% of its income or \$580 a week in taxes.

Making you pay

by Paul Pagnuelo

The Premier of Ontario has been caught with his pants down - or should I say golf shorts. It was recently revealed that Mike Harris had, for years, been receiving an expense allowance from his riding association to pay for the necessities of life - tuxedos, golf and country club memberships, and the like.

What's wrong with that you say? Whose business is it if the Premier's Progressive Conservative riding association wants to give him an expense allowance? And whose business is it if he wants to spend that money on a round on the back nine? Taxpayers' business, that's whose.

You see, Mike Harris and the Ontario Tories, just like a myriad of other politicians and political parties throughout Canada, are making you pay for their weenie roasts and golf games via something called the "political contribution tax credit."

The tax credit, one of the most lucrative available, allows individuals who contribute to political parties to reduce the amount of income tax they pay. Those who contribute \$100 to a federal party, for example, have their taxable income reduced by \$75. Supporters of particular parties

get a nice little tax break and their beneficiaries build up their war chests for the next election.

Here's where the average taxpayer comes in. The political donation credit is an indirect form of public subsidization because it lowers the taxes which would otherwise be payable by the individual or corporation claiming it. This write-off must be made up for in higher taxes on all taxpayers. If you didn't make a *direct* party contribution this year, you donated to most of the parties anyway *indirectly* through the party tax credit.

Like it or not this insidious credit has indirectly clothed and pampered politicians including Preston Manning, Bob Rae and Lyn McLeod.

But you're not just paying for party parties and whatever else party officials might cook up — you're also being forced to fund political views and opinions that you may oppose or even despise.

The subsidization provided by the political tax credit helps parties propagate ideas and ideologies in opposition to your own beliefs. If you support cur-

Tax Fact: In 1993, Ontario tax filers claimed \$3.2 million in political tax credits for contributions to political parties in the province.

rent or higher levels of immigration, you're paying for parties that want to lower them; if you oppose big business or special interest group grants, you're paying for parties that want to retain them; if you oppose the political contribution tax credit, you're paying for parties that use it without shame.

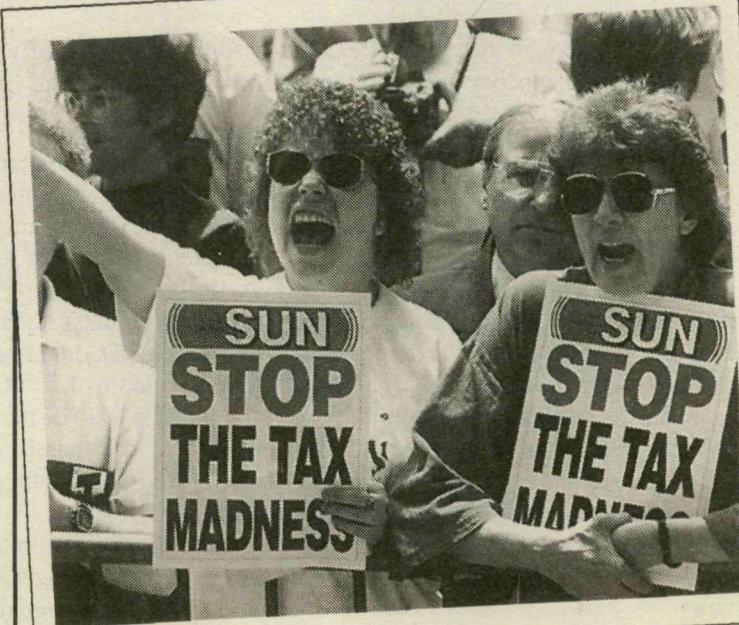
The real insult is not that our money is being wasted on perks for politicians, but that it is being used to force individual Canadians to pay for political views they would otherwise never support.

At the provincial level across Canada, political contribution tax credits were worth \$8.1 million in 1993 and federal credits topped a whopping \$19.6 million. That means \$27.7 million in political tax credits was indirectly funneled to political parties at taxpayers' expense for the production of campaign ads, brochures, paid party staff and numerous other self-serving activities.

Wouldn't this money

have been better spent on health care, education, or a reduction in taxes for *all* Canadians, not just those who are party supporters? Do parties that haul in millions upon millions of dollars every

year need a public subsidy? It's time for political parties to pull their snouts out of the public trough. Abolishing the political contributions tax credit would be a good start. ■



Toronto Sun

Harris stalls on balanced budget legislation

Ontario's good news tax-cut budget sets trend for the rest of Canada

The Government's recently released tax-cutting provincial budget is a sign of hope for taxpayers across Canada according to the Ontario Taxpayers Federation.

"After two decades of shrinking after-tax pay, taxpayers can finally look forward to keeping more of what they earn and investing it in their families and the Ontario economy," the Federation's executive director Paul Pagnuelo said.

He said that after 10 years of skyrocketing taxes, spending and debt, the Harris government has finally put Ontario back on the track to economic growth and fiscal stability.

While the Federation gave the budget an "A-" rating, it pointed out that Harris stalled on introducing legislation which would make good on his signed pledge to "immediately" pass taxpayer protection legislation which would require:

- ◆ Annual deficit reduction targets moving to a balanced budget by fiscal year 2000-2001.
- ◆ Voter approval for any tax increases.
- ◆ Pay-for-performance penalties for politicians who fail to comply.

"While this budget is an enormous step in the right direction, it still fails to give taxpayers a legislated guarantee that the deficit reduction targets will be met," Pagnuelo said.

He said that while the majority of Ontarians will be relieved to see that the government has kept its tax-cut promise, "they should not forget that every dollar in deficit-financing is a deferred tax."

The Federation noted that even after the recently announced spending cuts are implemented, the Province's real per capita program spending will only be set back to 1988 levels.

"There's clearly still room to cut wasteful spending further and Ontarians should not be intimidated by the shrill rhetoric of special interest groups seeking to defend their place at the public trough."

The OTF announced it will step up pressure on the Harris government to fulfill its Taxpayers Protection Pledge.

You made a difference!

In response to the high tax rate in Ontario, the first phase of Premier Mike Harris' 30% tax cut took effect on July 1st.

Instead of spending millions of dollars each year to subsidize political parties, the money could go to things we really need like healthcare.



The cost of official bilingualism

"The view was very often expressed that Canada's official languages policy has contributed significantly to the current crisis, including animosity towards Quebec and/or toward French. Frequently used terms describe bilingualism as 'divisive' and as 'breaking up the country.' - Citizen's Forum on Canada's Future Chairman Keith Spicer

In 1969, the federal government passed the Official Languages Act. It was intended to unite Canada and make it a uniquely bilingual country.

Today, the country is on the verge of falling apart. Billions of dollars have been spent on official bilingualism which, in the opinion of many Canadians, has actually contributed to the country's problems rather than healing them.

Yet despite this public sentiment, the federal government has pressed ahead and in 1995-96, spent over \$2 billion because of its various bilingualism programs.

So where is all this money spent?

The Department of Canadian Heritage spent \$253 million, with most of its money handed out in the form of grants to support "official bilingualism programs" and "official minority groups." Funding was provided for such projects as: professional training for francophone artists in P.E.I.; the publication of a study on equal opportunity for girls in physical education courses; the creation of a francophone employment club in Vancouver; and, development of a national francization program for young children.

Another \$131 million went to provide official translation and interpretation services to the federal government. Be-

cause the government automatically translates all documents and reports, whether they are needed or not, this has led to a considerable amount of wasted tax dollars. For example, a few years back the Defence department spent \$250,000 to translate personnel assessments for bilingual employees. If bilingual, they shouldn't need to be translated. In other instances, documents are automatically translated and just collect dust.

As well, in 1995-96, the federal government paid out \$55.9 million in its yearly bilingual bonus of \$800 to approximately 60,600 government bureaucrats who function in both official languages. Canada's Official Languages Commissioner, Ron Goldbloom, has called for the elimination of this bonus. But those cries have fallen on deaf ears.

Goldbloom is also concerned that 51% of the federal employees in Quebec are considered to be in bilingual positions despite the fact only 13% of the population is considered to be English speaking.

In total, the federal government's "official" cost of bilingualism was almost \$550 million in 1995-96.

The remaining \$1.5 billion is the yearly payment for Canada's 25-year leg-

acy of bilingualism. Since 1969, the federal government has spent at least \$11.4 billion on "official" bilingualism. Unfortunately, the government has had to bor-

bilingual expense. For example, in 1991, the Defence Department spent over \$20 million translating the technical documents for its frigate program into French.

Those costs were included in the price of the frigate and not as part of the costs for "official" bilingualism.

As well, according to the Treasury Board, Ottawa's Crown corporations only spent \$19 million on official bilingualism last year. Included in this figure was the \$1.6 million spent by CBC. With an annual budget of over \$1 billion, the CBC provides

French and English radio and TV across Canada. Since only 2% of Western Canada's population is considered to be an official minority population, 4% for Ontario, 12.5% for the Maritimes and 13% for Quebec, many question how much of CBC's costs are based on promoting "official bilingualism" versus actual demand.

No one argues about the necessity of the federal government providing services in both English and French, but millions of dollars could be saved if the program was controlled by "need" instead of "official policy." ■

You made a difference!

The reverberations from last year's grass-roots anti-tax protest are still being felt. Finance Minister Paul Martin said he didn't introduce any significant taxes in the 1996 federal budget because Canadians have reached their limit.

row the money to do it. When you include the compounding interest costs that have accumulated over the years, the total price tag for bilingualism jumps to \$30 billion and the interest payments on this amount worked out to nearly \$1.5 billion in 1995-96.

Unfortunately, these numbers don't reflect the Government's full costs for this program. Many costs are included in other areas and are never broken out as a

Federal bilingual grants 1995-96

The following is a list of some of the grants handed out by the federal government in fiscal year 1995-96 under the Promotions of Official Languages program. The number (in brackets) indicates how many grants were given out in that year and the dollar amount indicates the total amount of money given.

100 Nons Inc (2 grants)	\$48,747
Aboriginal Nurses Assoc. of Canada	3,400
Action Education Femmes Alta.	3,000
Ad Hoc Committee for Symposium on Women as Family Caregivers	2,500
Ad Hoc Committee Only Go Rights For Farm Women	579
AIDS New Brunswick Inc.	12,316
Aines Fransaskois d'Assiniboia	1,100
Alta. Home Economics Assoc.	3,550
Allergy Asthma Information Assoc.	3,300
Alliance Chorale Man. Inc.	17,200
Alliance des Radios Comm. du Cda Inc (5)	320,051
Alliance Francaise du Man. Inc.	7,800
Alliance Quebec (5)	1,215,000
Alzheimer Soc. of N.B. Inc.	3,000
Annee Francophone Internationale	5,000
Araignees du Boui Boui (2)	25,039
Assemblee des Ainees et Aines Francophones du	

Canada (3)	58,428
Assemblee des Centres Culturels de l'Ont. (3)	45,775
Association Canadienne d'Education de Langue Francaise (2)	150,000
Association of Canadian Teaching Hospital	1,700
Canadian Feed Industry Assoc.	2,200
Association Canadienne du Stationnement	2,548
Assoc. Canadienne Francaise de l'Alta. (6)	686,524
Association Canadienne Francaise de l'Alta.:	
Regionale de Fort McMurray (3)	49,686
d'Edmonton (3)	95,197
de Bonnyville (3)	65,577
de Calgary, Banff, et Red Deer	60,039
de Centralta (3)	51,148
de Jasper (3)	29,457
de Lethbridge (3)	46,090
de Medicine Hat	14,500
de Plamondon Lac La Biche (3)	57,748
de Riviere La Paix (5)	278,531
de St. Paul (3)	79,089
Assoc. Canadienne Francaise de l'Ont. (4)	658,427
Association Canadienne Francaise de l'Ont.:	
Conseil Regional des Mille Iles (3)	91,783
d'Ottawa Carleton (2)	36,464
de l'Estrie (2)	33,726
du Grand Sudbury Inc (2)	37,647
Huronie (4)	104,000
London Sarnia	16,000
Nipissing (2)	37,647
Peninsule du Niagara (2)	31,764
Prescott Russell Inc (2)	3,529
Region de Cochrane Iroquois Falls (2)	37,647
Region Kirkland Lake (2)	36,079
Regionale de la Rive Nord (2)	37,647
Regionale de Timmins (2)	37,647
du Grand Nord (2)	23,636
du Temiskaming (2)	37,647
Hamilton (2)	31,373
Association Cdne Francaise de Regina Inc.	134,500
* Communautaire Fransaskoise de Gravelbourg	112,500
* Cooperative du Prescolaire Fransaskois.	147,800
Association Culturelle:	
de Bellevue Inc.	118,100
du Haut St Jean Inc (2)	30,588
Franco Canadienne de Bellegarde Inc	31,800
Franco Canadienne de la Sask. (2)	671,120
Franco Canadienne Trinite Region #7	36,000
Franco Canadienne Manitobaine	7,800
le Pharillon de Marathon	3,000
Canadian Somalilander Community Assoc.	2,715
Association de la Presse Francophone (3)	270,236
* de Mediation Familiale du Quebec	7,000
* des Artistes de la Saski Inc.	102,040
* des Femmes Acadiennes et Francophones de l'Ile-du-Prince-Edouard	3,200
* des Francophones de Nanaimo (2)	25,882
* des Kootenays Ouest (3)	14,902
* du Nord Ouest de l'Ont. (2)	87,056
* des Jardineries du Quebec	680
Assoc des Juristes d'Expression Francaise:	
de l'Alta. (3)	80,226
de l'Ont. (2)	39,170
de la Nouvelle Ecosse	18,000
du la Sask. Inc	40,660
du Man. Inc	39,000
du N.B. (3)	55,116
Association des Loisirs et Centre Culturel de Battlefords Inc.	46,500
* des Municipalites Bilingues du Manitoba Inc (3)	185,000
* Bilingues du N.B. Inc (2)	37,000
Association des Parents Francophones:	
de la Colombie Britannique (2)	137,255
de Yellowknife (2)	3,211
Assoc. des Producteurs de Gazon du Quebec	1,040
Association des Scouts du Canada (3)	89,010
Association des Scouts du Canada:	
Federation de l'Ouest Inc.	13,070
District de la Riviere Rouge	15,600

District de la Sask.	44,080
Association des Technologistes de Laboratoire Médical du N.B.	2,324
Canadian Bar Assoc.	2,000
Association du Barreau Canadien Ont.	25,000
Association Franco Albertaine:	
de l'Unité (3)	97,623
Culturelle de Hay River (2)	6,725
Culturelle de Yellowknife (2)	31,373
Yukonaise (5)	362,227
Association Franco-Ecossaise	1,500
Association Francophone:	
d'Iqaluit (2)	21,787
de Campbell River (2)	16,996
de Fort Smith (2)	6,275
de Kamloops (2)	16,824
de la Vallée de Comox (3)	13,058
de Saint Jean (3)	49,790
de Surrey	2,000
du Labrador (2)	83,687
Association Fransaskoise de Zenon Park Inc	28,000
" Interculturelle Franco Ontarienne (2)	22,933
Association Internationale des Etudiants en Sciences Economiques et Commerciales des Hautes Etudes Commerciales de Montreal	4,300
Laval	3,300
Association Jeunesse Fransaskoise Inc	89,300
" Littéraire et Artistique Canadienne	2,000
" Mondiale des Radiodiffuseurs Communautaires	21,000
" Nationale des Théâtres Francophones Hors Québec (3)	57,059
" of Atlantic Women Business Owners	3,500
" of Man. Museums (1972) Inc.	1,730
" of Visual Language Interpreters of Canada	3,500
" Ontarienne des Sourds Francophones (2)	22,933
" Polio Quebec	1,351
" Provinciale des Parents Fransaskois Inc.	150,000
" Régionale de la Côte Ouest Inc (4)	212,146
" Régionale du Sport Étudiant de Québec	10,000
Assoc. Scientifique pour la Modification du Comportement	3,595
Atlantic Canada Entrepreneurship Awards	
Assoc.	16,000
Atlantic Fisheries Technological Conference	3,145
Auberge Transition	5,244
Autumn Leaf Performance	2,745
Auvergnais de Ponteix Inc	57,000
Black Business Board	7,500
Boys and Girls Clubs of Canada	10,400
Breast Cancer Action Montreal	950
B.C. Coalition for Safer Communities Soc.	7,500
B.C. Teachers' Federation	10,500
Ca Nord Conseil des Animateurs du Nord	1,839
Calgary Inter Faith Community Action Assoc.	5,000
Canada Games Council	2,400
Canadian Academy of Sport Medicine	5,000
" Alliance for Lifelong Learning	10,000
" Archives Foundation	5,000
" Assoc. for People Who Stutter	4,971

" Assoc. of Fine Arts Deans	2,100
" Assoc. of Independent Living Centres	3,500
" Assoc. of Provincial Court Judges	18,000
" Assoc. of Volunteer Bureaux and Centres	4,800
" Bureau for International Education	2,000
" Canoe Assoc.	2,500
" Child Care Federation	3,000
" Conference of the Arts	2,290
" Council for Multicultural & Intercultural Education	15,000
" Council for Refugees	2,500
" Council for Small Bus. & Entrepreneurship	5,000
" Council on Multicultural Health	5,000
" Cycling Assoc.	3,000
" Dental Hygienists Assoc.	1,850
" Disability Rights Council	3,500
" Downs Syndrome Soc.	18,000
" Ecology Advocates	18,000
" Federation of Mental Health Nurses	189
" Figure Skating Assoc.	3,000
" Hydrogen Assoc.	4,160
" Injured Workers Alliance	17,609
" Institute of Actuaries	5,000
" Network for Asthma Care	4,000
" Nursing Students Assoc.	3,723
" Obstetric Gynecologic & Neonatal Nurses	1,250
" Paraplegic Assoc.	15,000
" Paraplegic Assoc. Ont.	5,000
Canadian Parents for French (5)	215,232
Canadian Parents for French:	
Alta. Branch	47,180
B.C. Branch	82,235
Man. Inc.	27,240
N.B. Inc.	24,545
Nfld. & Labrador	26,644
N.W.T. Chapter	2,310
N.S.	27,245
Ont.	88,135
P.E.I. Limited	24,090
Quebec Branch	2,762
Sask. Inc (2)	34,105
Canadian Parks Recreation Assoc.	21,000
" Physiotherapy Assoc.	15,000
" Psoriasis Foundation	12,500
" Red Cross Soc.	3,846
" Roofing Contractors' Assoc.	4,800
" Seed Growers - Maritimes Branch	3,000
" Society for International Health	4,600
" Tulip Festival	10,000
" Water Resources Assoc.	1,070
" Women's Studies Assoc.	2,100
Carrefour Francophone de Sudbury (2)	90,488
Centre Assomption de Recherche et Développement en Entrepreneuriat (2)	24,600
" Canadian des Droits Linguistiques	11,550
Canadian Communautaire:	
Franc Ouest (2)	28,600
Francophone Regional Cambridge, Guelph, Kitchener, Waterloo (2)	31,373
Francophone Windsor Essex Kent (2)	50,000

You made a difference!
Six provinces responded to concerns about deficits & ran balanced budgets in 1995-96. They are Alberta, Saskatchewan, Manitoba, New Brunswick, PEI & NFLD.

le Griffon (5)	55,058
Canadian Culture:	
Artem Artemiskaming (2)	19,530
Au Moulin (2)	4,267
Comm. de l'Ile Madame la Picasse (3)	989,075
du Conseil de vie Francophone de Cornwall	19,200
Francophone de l'Okanagan (3)	26,020
Franco-Manitobain	143,700
Francophone de Vancouver (4)	125,285
I'Helicon Russell Inc.	11,506
la Mine d'Art Inc (2)	12,549
la Ronde Inc (2)	56,165
P.E.I. Limited	24,090
le Mat College Mathieu	24,000
les Trois p'Tits Points (2)	18,432
Louis Hemon de Chappleau Inc (2)	19,568
Centre d'Activites Francaises a Penetanguishene (3)	114,819
South Asia Research & Resource Ctr Canada	3,400
Centre d'Etudes et Documentation d'Amérique Latine	9,300
" d'Etudes Franco Canadiennes de l'Ouest	9,173
" d'Information et de Documentation sur le Mozambique et l'Afrique Australe	30,000
" de Jour Guigues	100,000
" for Research - Action on Race Relations	797
" de Ressources de la Troisième Avenue	3,380
" de Sante Communautaire de Hamilton Wentworth Niagara	40,000
" de Theatre Francophone d'Ottawa Inc (2)	240,000
Centre Educatif Communautaire	
de l'Alta.	42,000
de l'Alta. - Calgary (2)	40,000
du Niagara	3,550
Centre Francais Hamilton Inc (2)	28,235
" Franco Ontarien de Folklore (2)	25,098
" Francophone (3)	97,886
" Francophone de Sault Ste Marie (2)	21,961
" International de Solidarite Ouvrière	9,400
" les Compagnons des Francs Loisirs (2)	40,118
" Regional de Loisirs Culturels Inc (2)	69,002
" Scolaire Communautaire de Powell River	4,500
" Scolaire Communautaire Notre Place	10,000
" Social et Culturel Frontenac (2)	18,989
Cercle de l'Amitié (2)	28,500
" des Cdns Francais de Prince George (3)	27,295
" Moliere Inc (2)	52,000

was extremely supportive of the CTF's position of abolishing the GST.

CALGARY - CTF President Jason Kenney attended the Winds of Change Conference held in Calgary on May 22-24 where he helped draft the Conference's

executive Director, spoke on the need to restructure the CPP at the symposium of the Canada Pension and Benefits Institute on May 23rd.

EDMONTON - On May 8th, CTF National Research Director Mitch Gray presented a submission to the Canada Pension Plan consultation committee proposing that the current CPP system be scrapped in favour of a Mandatory Retirement Savings Plan.

VICTORIA - In the provincial election held in May, 32 candidates were defeated or had resigned. The CTF-BC released a report to the media giving the financial rewards paid out to these MLAs. The release showed that 12 MLAs will collect \$10 million in pension benefits while the remaining MLAs will collect \$640,000 in severance allowances. The BC government has scrapped the pension plan effective the end of the elec-

tion.

TORONTO - Paul Pagnuelo of the OTF appeared before the Standing Committee on Social Development on Monday, May 13 dealing with certain fiscal reforms to Ontario's education system.

SASKATOON, SK - On Monday, May 6, Moira Wright of the STA participated in a province-wide radio call-in program, along with Saskatchewan Liberal MP Morris Bodnar who was defending his government's GST position. Every call

economic policy statement. It included a call for passage of a federal tax and expenditure limit law and tax relief.

WINNIPEG - Brian Kelcey, MTA Ex-

EDMONTON - In early May, Alberta MLA Lorne Taylor's private member's bill on citizen-initiated referendums failed passage in the Alberta Legislature by only 5 votes. The ATA will continue to push for citizen initiatives by drumming up public support and pressure.

WINNIPEG - Victor Vrsnik of the MTA was declared the champion in a stirring debate held May 10, 1996, with representatives from CHOICES Coalition for Social Justice. Victor defended the resolution that for the long term good of Canada, we need to cut government spending to decrease the debt.

REGINA - In an interview with Canadian

"du Gala de la Chanson de Caraquet.....	17,000	Family Centre of Winnipeg.....	4,700	en Sante Mentale.....	12,500	Ligue des Cadets de l'Air du Canada	1,297
"Francaise de Leoville	4,000	Federal Superannuates National Assoc.....	18,000	"Joseph Dubuc du College Universitaire de Saint		Ligue des Droits et Liberte.....	793
"Organisateur 1ER Congres Quebec sur le Trauma-		Federation Acad. de la Nouvelle Ecosse (6) ..	939,034	Boniface (3).....	160,029	Maison de la Culture de Shippagan Inc. (2)...	14,118
-tisme Crano Cerebral	1,050	"of Canadienne Demographers	3,200	"Mondial Edi	3,150	Material Management Institute	1,500
"Organisateur de la Semaine Provinciale de la Fran-		"Cdn pour l'Alphabetisation en Francois (2) ..	18,000	Inter Church Committee on Human Rights in Latin		McGill 175th Anniversary Committee	12,000
-cophonie	1,289	"Culturelle Canadienne Francaise (5).....	356,982	America	5,900	Mediation Development Assoc. of B.C.	5,000
"Organisateur du Rendez Vous Rustico	2,000	"Culturelle de P.E.I. (4)	45,373	International Assoc. for Protection of Industrial Prop-		Minority Advocacy and Rights Council	1,205
"Organisateur du Symposium 1995	5,585	"de la Jeunesse Canadienne Francaise (4) ..	411,795	erty Canada	9,000	Montreal Consortium for Human Rights Advocacy	
"Provincial des Jeux de l'Acadie Region Nouvelle		"de la Jeunesse Franco-Ontarienne (3) ..	99,292	Training	2,250	Training	
Ecosse Inc (5)	51,869	"des Aine(e)s Franco Albertain(e)s (3) ..	29,903	"Rehabilitation Nurses' Interest Group	2,150	"Rehabilitation Nurses' Interest Group	
"Regional des Jeux de l'Acadie (2)	8,000	"des Aines Franco Manitobains Inc	11,700	"VIH 95	10,000	"VIH 95	
"Regional Ssta la Belle Alliance	8,612	"des Aines Fransaskois Inc	85,500	Mouvement d'Implication Francophone		Mouvement d'Implication Francophone	
"de Parents du N.B. Inc (2)	117,647	"des Associations de Juristes d'Expression Fran-		d'Orleans (2)	32,157	d'Orleans (2)	
Commerce International des arts de la Scene	12,500	caise de Common Law Inc (2).....	18,000	"des Intervenants Communautaires en Radio de		"des Intervenants Communautaires en Radio de	
Commission Culturelle Fransaskoise Inc	147,800	"des Associations de Parents Francophones de		l'Ontario	5,000	l'Ontario	
"Nationale des Parents Francophones (5)	894,510	l'Ont. (2)	78,432	Musee d'Art Contemporain de Montreal	3,605	Musee d'Art Contemporain de Montreal	
Committe for Anglophone Social Action (5)	148,000	"des Comite's de Parents de la Province de Quebec		National Educational Assoc. of Disabled		National Educational Assoc. of Disabled	
Communute Internationale Estudiantine	1,400	Inc	1,683	Students	15,000	Students	
Compagnie Vox Thatre	9,096	"des Communautes Francophones et Acadienne du		"Federation of Nurses Unions	10,000	"Federation of Nurses Unions	
Concerts la Nuit sur l'Etang Inc.	8,255	Canada (4)	696,860				
Confederation Centre of the Arts	18,000	"des Dames d'Acadie Inc.(2)	20,490				
Conference Int'l Permanente d'Institus Universitaires		"des Femmes Cdn Francaises de l'Ont. (2) ..	16,420				
de Traducteurs et Interpretes	2,350	"des Francophones de la B.C. (3)	844,578				
Conference Internationale sur les Centres Commu-		"des Francophones de Saskatoon Inc	126,000				
nautaires de Sante	10,000	"des Francophones de Terre Neuve et du Labrador					
Canadian Conference on Electrical and Computer		(10)	277,426				
Engineering	1,412	"des Guides du N.B. Inc (2)	36,883				
Congress of Aboriginal Peoples	14,000	"des Guides Franco Ontariennes (2)	28,988				
Congress of Union Retirees of Canada	4,700	"des Juenes Francophones du N.B. Inc (3) ..	189,356				
Conseil Acadien de Rustico Inc.	7,830	Federation des Parents:					
"Canadien de la Cooperation (3)	158,235	Acadiens de la Nouvelle Ecosse (6)	174,470				
"Communautaire Beausoleil Inc.	93,758	du P.E.I. (2)	119,169				
"Communautaire du Carrefour (2)	83,892	Francophones de l'Alta. (3)	224,500				
"Communatuaire Samuel de Champlain Inc.	87,371	Francophones de Terre Neuve et du Labrador					
"Culturelle Acadien de la Nouvelle Ecosse	20,000	(3)	98,732				
Conseil de la Cooperation:		Federation des Scouts de l'Atlantique (2)	53,274				
d'Ont.	6,000	"des Scouts de l'Ont. (2)	28,988				
du P.E.I. (2)	25,281	Federation Franco Tenoise (6)	506,246				
de la Sask.	97,200	"Nat. des Femmes Cdn Francaises (3)	288,021				
du Man. (4)	25,169	"of English Language Writers of Quebec	20,000				
Conseil de la Magistrature du Quebec	33,000	"Provinciale des Comites de Parents Inc (4) ..	234,600				
"de la Vie Francaise en Amerique	5,000	"Provinciale des Fransaskoises Inc.	147,800				
"des Presse du Quebec	1,600	Quebec Native Women's Assoc. Inc.	3,601				
"des Arts de Hearst (2)	16,471	Festival Antigonish Summer Theatre	3,000				
"des Arts Textiles du Quebec	6,838	"du Voyageur Inc.	28,000				
"des Organismes Francophones de la Region de		"Franco Ontarien	100,000				
Durham (2)	57,255	"International de la Chanson de Granby Inc.	10,000				
"Economique du N.B. Inc (2)	39,216	"International de Lanaudiere	5,250				
"en Education des Premieres Nations	18,000	Fete Colombienne des Enfants	90,250				
"Jeunesse Francophone de la B.C. (3)	61,902	Field Hockey Canada	1,736				
"Jeunesse Provincial de la Nouvelle Ecosse	4,400	Film Zone Inc.	4,000				
"Jeunesse Provincial Inc (3)	145,933	Fondation Paul Gerin Lajoie (2)	150,000				
"pour l'Integration des Francophones Minorites Ra-		Fonds de l'Avenir de la Saabn Inc.	75,000				
ciales	25,000	Fonds Neuro Tumeur Inc.	910				
Council for Canadian Unity (3)	4,450,000	Football Canada	2,990				
Conseil Prov. des Societe Culturelles Inc (3)	87,344	Forum Mondial Sur l'Activite Physique et le					
"Quebecois du Commerce de Detail	837	Sport	10,000				
"Quebecois du Theatre	10,000	Franc Ouest Brandon Inc.	1,800				
"Regional d'Education Francaise de Riviere la Paix		Franco Jeunes de Terre Neuve et du Labrador Inc					
(3)	25,000	(5)	77,481				
"Regional pour l'Education Francaise a		Franco-Fete (2)	10,533				
Lethbridge	8,500	Francophone de Talle de Saules Inc.	39,000				
Cooper Inst.	3,500	Francophonie Jeunesse de l'Alta. (4)	190,786				
Cooperative de Theatre l'Escouette ltee (2)	30,588	French Chamber of Commerce Consulting	25,000				
"des Publications Fransaskoises Ltee	42,750	Front Commun Quebecois pour Une Gestion Eco-					
"du Centre des Arts Evangeline	8,603	gique des Dechets	1,300				
"du Club Ti Pa	7,830	Galerie du Nouvel Ont. Centre d'Artistes (2) ..	3,002				
"Radio Cheticamp Ltee	23,656	Geordie Productions Inc.	20,000				
"Radio Communautaire Nipissing	33,000	Gouvernement de l'Ile du Prince Edouard Ministere					
Corp. des Services d' Ambulance du Quebec	1,125	de l'Education (2)	1,381,000				
Coscent Marketing Inc.	50,000	"de l'Ont. Tresorier Provincial	569,000				
Council for Anglophone Magdalen Isliders (2)	25,000	"de la Nouvelle Ecosse Tresorier Prov.	298,608				
Coup de Coeur Francophone	50,000	"de la Sask. Ministere de la Justice	18,750				
Current Trends in Maternity & Newborn		"de la Sask. Office de Coordination des Affaires					
Care1995.....	2,236	Francophones	207,765				
Cuso	18,000	"du N.B. Tresorier Provincial	1,081,000				
Danseurs du Madawaska Inc.	10,000	"du Quebec Ministere de la Sante et des Services					
Danseurs du Pacifique (2)	3,922	Sociaux	426,000				
Dictee des Ameriques	25,000	"of Man., Culture, Heritage & Rec.	920,000				
Dictee des Ameriques - Volet Ontarien	5,000	"of NfldLabrador Nfld. Exchequer					
Direction Jeunesse (4)	229,237	Account (2)	124,500				
Disabled Peoples' International	21,000	"of the Yukon Territory	1,381,000				
Downtown Winnipeg Business Improvement		Groupe d'Aide et d'Information sur le Harcelement					
Zone (2)	6,450	Sexuel au Travail de la Province de Quebec ..	2,000				
Echos du Pacifique	2,000	Guides Franco Canadiennes (3)	96,016				
Ecomusee Acadien de P.E.I. Inc.	3,843	"Franco Manitobaines	15,600				
Editions Cooperative du Ven'd'est Limitee	16,036	Indigenous Women of the Americas	5,000				
Editions l'Interligne Inc (2)	30,180	Cdn Institute for the Administration of Justice ..	3,500				
Educacentre le Service d'Education et de Formation		Institut de Developpement Comm.(3)	70,621				
des Adultes en Francaise en B.C.	8,000	"de Recherche en Sante et en Securite du					
English Speaking Catholic Council (2)	24,000	Travail	10,000				
Ensemble Folklorique de la Riviere Rouge	15,600	"Feminin Francophone du N.B.	14,550				
Equite Nouveau Brunswick Equity	5,000	"Interculturel de Montreal et Equipe de Recherche					

TAX ME - I'M CANADIAN!



With one of the highest tax burdens in the world, this t-shirt tells the story of what has become Canada's national symbol....

HIGH TAXES.

Stir up your sense of national pride and get your t-shirt today.

\$17.50

plus taxes and shipping

The t-shirt is made of 50/50 poly/cotton and is red with white and yellow print.

Please send me:

"Tax Me I'm Canadian" t-shirts - \$17.50 each	<input type="checkbox"/>
Sizes: <input type="checkbox"/> Large <input type="checkbox"/> X Large <input type="checkbox"/> XX Large (add \$1.50)	
Saskatchewan residents only add 9% PST	<input type="checkbox"/>
Add GST (7%)	<input type="checkbox"/>
Shipping and handling - first t-shirt	\$3.00
Each additional shirt add 50 cents each	
Total order	
Method of payment	
<input type="checkbox"/> MasterCard <input type="checkbox"/> Visa <input type="checkbox"/> Cheque	
Name on card:	
Visa/MasterCard #:	Expiry date:
Name:	
Address:	
City/Town:	Prov:
PC:	
Please send your order to: The Canadian Taxpayers Federation, 105-438 Victoria Ave. East, Regina, Sask., S4N 0N7 Fax: 306-352-7203 Please allow 3 to 4 weeks for delivery.	

Prisoners eat blubber

A first-time reader with congratulations on your timely articles and comments on your review of *Calgary Sun's* story of 43 prisoners in Alberta's Bowden Institution:

Any Northerner knows that muskox, caribou, whale blubber and Arctic char have been traditional Inuit country foods for more than 4,000 years and are no more delicacies than beef, pork, tripe and salmon are to John Q. Taxpayer's table in southern Canada. It's ignorant to claim that traditional Inuit celebrations are cause to serve these foods six or seven times a year to Inuit isolated in a place so strange and distant from their homeland. Likely these convicts celebrate because their natural food is available. If our penal system considers this as traditional Inuit celebration something's wrong. To economize, move the prisons to the Arctic, hire Inuit hunters and feed all prisoners these "delicacies" as a regular diet.

**Michael L Kempton-Jones,
Spiritwood, SK**

Need some good news

I find the articles in *The Taxpayer* informative and often infu-



Letters to the editor

riating. I think the atmosphere on planet Ottawa must contain a significant amount of nitrous oxide. Something I would like to see more of in *The Taxpayer* is articles of a positive nature, showing that somewhere in government, someone is moving in the right direction. This would give me some hope that change might actually be possible.

One thought I had on a possible change to the taxation system: eliminate the tax credit given for

contributions to political parties. I have always been offended that money spent to get a politician elected is taxed less heavily than money spent on food, clothing and shelter.

James Olsen, Edmonton, AB

Manitoba education

Recently, the local press reported on the resignation of the Dean of Education Judith Newman and her proposed reforms to the Education Faculty at the Uni-

versity of Manitoba.

To offset the high level of unemployed education graduates, I propose a quota system where the number of graduates would be established by the Minister of Education in consultation with the various stakeholders in the education policy community. In this system, admittance to the Faculty of Education would be required to have at least a baccalaureate of some kind. Only a 2-year, after degree B.Ed. program would be

GST best of worst

I would like to congratulate you and the Federation for keeping taxpayers apprised of the profligate tendencies of governments, and for striving to keep those governments honest (or as close as one can get to keeping them honest).

Having said that, if the Canadian Taxpayers is going to be as effective as it needs to be, it has to be credible. I feel quite certain you are aware there is no way the government will ever be able to cut spending by the 18 billion dollars garnered by the GST, which would mean an almost inevitable increase in income tax. And I wish to make it very clear that given a choice between a consumption tax and a tax on income, I'll choose the consumption every time - and so would the business enterprises that fuel the economy. What business wants is harmonization with the provinces so they don't have to deal with two taxes and two bureaucracies.

What everyone seems to have forgotten is, this tax replaced the Federal Sales Tax, which had been around since 1924. The Federal Sales Tax (FST), or Manufacturer's Sales Tax as it was also known, was collected and remitted to Revenue Canada by the manufacturer when the goods were sold to the next link in the commercial chain. The FST was also collected on the duty paid value of most goods entering Canada, therein lay one of its greatest weaknesses: it placed domestically manufactured goods at a disadvantage. Because they could not be identified and refunded, these inputs constituted an unfair cost of production, estimated to increase the selling price of exported products by nearly 1% - a considerable figure in an increasingly competitive

world market.

Another problem with the old tax was its narrow base: while manufacturing made up barely one third of the economy, it bore the full impact of the FST. Why should services not be taxed?

Forty-eight countries now have some form of value added consumption tax on goods and services, and you may know that many tax specialists in the US are now actively considering such a tax as one remedy for their horrendous trade and fiscal deficits.

I believe we ought to focus on all the right targets. While government spending is obviously the most important, we have also to accept the fact that some taxes in a civilized society are necessary. Let's hammer income tax, not consumption tax. Nothing is as disagreeable to many Canadians as the government getting its hands into their pockets before they do.

One further observation: you end your latest editorial comments with the statement, "...the government will be spending exactly the same amount in 1997-98 as they were in 1993-94 - \$158 billion." Be fair. I'm no fan of the Liberal government, but give the devil his dues: program spending is down, the \$158 billion will shrink as a proportion of GDP over that period and the only reason the figure won't be lower is the interest on the bloody debt! This government cannot be blamed for all the mess we're in. If the action it is taking now had been taken by our so-called Conservative government 10 years ago, we wouldn't be where we are now.

I hope you accept my

criticism in a positive sense. I remain a fan.

Don Atkinson, Ottawa, Ontario

CTF replies

Dear Mr. Atkinson:

Thank you for your letter on the subject of the GST.

I agree with you that if the CTF is going to be effective it must also be credible. You have suggested that credibility might be questioned, based on our call for the abolition of the GST. Please allow me to explain why I beg to differ with you on this point.

First of all, the CTF is principally interested in having the government adhere to its election campaign pledge to abolish the GST. In demanding an end to the tax, we are simply encouraging the Liberal majority in the House of Commons to fulfill its promise to do away with the GST altogether. The GST debate is not simply about revenues, it is also, and just as importantly,

about political integrity. The Liberals, in their public pronouncements, promised, not to retain the GST in a semi-harmonized form, but to "scrap", "kill", and "abolish" the tax. I believe the

CTF would be remiss in its duties if we were to allow the government to simply walk away from its promise and what should have been tax relief for all Canadians.

Second, I would submit that, contrary to the government's assertion that they cannot live without the \$16.8 billion

permitted. This would mean that a time lag of only two years would exist between the identification of a need for teachers and the creation of its supply. The size of the teacher pool would be a function of the actual demand for teachers. It would no longer be a function of education professors to create jobs for themselves. The system would be under control.

Joseph Schmutz

Old Age Security

As you know, there are many senior citizens including me, that are having all of our Old Age Security payments claimed back.

I do not have a problem with this provided the claim back is used to level the standard of living between the poor and the so called rich. I do have a problem though, if it is used to pay ridiculous pensions to Members of Parliament who do not really need the money - like Paul Martin, Jean Chretien - or even worse, people like Brian Mulroney and Lucien Bouchard. I would like the CTF to put pressure on the Prime Minister to have government employees' pensions claimed back in the same manner as old age security pensions.

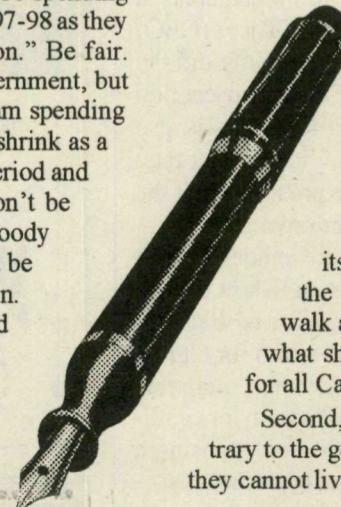
R.R. Movich

(1994-95) in revenues that the GST hauls in, a great deal of this money is wasted every year in superfluous spending. A quick glance through some back issues of *The Taxpayer* would identify billions upon billions of taxpayers' dollars that could be chopped from the federal budget. Obviously, as we have said, the GST could not be abolished overnight, but it could be reduced over a period of time. Reducing the GST in stages would lower the tax burden gradually while stimulating growth so that revenues would not fall by the full \$16.8 billion.

Third, the CTF is not in favour of income taxes over consumption taxes. Personally, I agree with your assessment that consumption taxes generally represent a more efficient and fairer form of taxation. The question here, however, is not one of what type of tax is more or less appropriate for the Canadian setting, but rather: What is the appropriate level of taxation? I am sure we would have been willing to entertain a proposal from the government to reduce income taxes by \$16.8 billion in lieu of scrapping the GST. Alas, this was not to be. Certainly, there is a need to rethink and revamp the way we raise taxes in Canada, but this must be put in the context of the overall level of taxation.

We appreciate your comments. Constructive criticism, like those contained in your letter, allow us to evaluate and refine our positions and hopefully improve the services we provide to our supporters and Canadian taxpayers.

Mitch Gray, CTF Research Director



FREE SPEECH BANNED IN BRITISH COLUMBIA

By Troy Lanigan

By the time you read this article, prosecution proceedings may well be underway against the Canadian Taxpayers Federation for running the newspaper ad and radio ads shown on this page during the recent B.C. provincial election campaign.

Last year, the NDP government



The following is the text of the three radio ads run by the Canadian Taxpayers Federation during the B.C. provincial election.

AD ONE

Who should control your taxes? The politicians who spend them or the taxpayers who earn them?

Last year, Manitoba became the first province in Canada to pass a law requiring voter approval before taxes can be raised. Voter approval would allow taxpayers a veto over new and increased taxes between elections.

Support candidates on May 28th who are committed to real taxpayer protection: voter approval for new taxes and tax increases.

AD TWO

Every day B.C. taxpayers spend over \$5,000,000 to pay interest on the provincial debt. That's because successive governments in British Columbia have racked up \$12 billion in new borrowing since 1990.

Don't send British Columbia down the same path travelled by other provinces and the federal government.

Support candidates in this election committed to make balanced budgets the law.

AD THREE

Today's debts are tomorrow's taxes. Every dollar borrowed by the government today must be paid back by future taxpayers with interest.

Taxpayer-supported debt in British Columbia now totals \$20 billion - more than double what it was in 1990. B.C. now has the country's second fastest growing debt.

Isn't it time to stop mortgaging our future? Support candidates in this election committed to making balanced budgets the laws.

passed a new *Election Act* which prohibits citizens and citizen groups from spending more than \$5,000 on advertising which supports or opposes, directly or indirectly, a candidate or registered political party. Meanwhile, political parties and their candidates can spend upwards of \$6 million.

On two occasions the federal government has attempted to gag citizens during election campaigns, and on both occasions the courts have struck the provisions down on the ground that they violated freedom of speech as guaranteed under the Charter of Rights and Freedoms. The federal government also lost a recent appeal in the Alberta courts where the gag order was condemned as "legislation which ironically purports to protect the democratic process, by means of infringing on the very rights which are fundamental to democracy."

But despite the CTF's opposition to the gag law on constitutional grounds, advertising sponsored by the CTF in the B.C. election campaign was neither designed or intended to contravene advertising restrictions in the Election Act. The ads were intended to be issue-oriented and not directly or "indirectly" supporting or opposing a candidate or party.

Even, the ambiguous term "indirect" was the subject of a very clear comment from former Attorney General Colin Gablemann who stuck handled the legislation through the provincial legislature in the summer of 1995. During the debates, then Independent MLA David Mitchell asked, "If a non-partisan group in an election campaign, the Canadian Taxpayers Federation, for instance... wanted to advocate in favour of balanced-budget legislation during an election campaign... could expenses be incurred for that purpose under this Act without any restrictions?" Mr. Gablemann replied: "That campaign, which is part of something they have advocated for some time, would be part of a public policy discussion under this section and *would not be restricted*" (emphasis added).

That was then and this is now.

When the CTF first aired its radio ads supporting balanced budget legislation and voter approval for new and increased taxes, the Chief Electoral Officer (CEO) was quick to take note. Not only did the CEO threaten the CTF with prosecution for running the ads, notification was also sent to CFAX radio in Victoria that they too would be subject to prosecution if the CTF ads were not withdrawn.

These decisions were made without any specific explanation as to how or why the ads were in contravention of the *Election Act*. After the CTF asked for clarification, the CEO responded that "indirect" support or opposition of a party or candidate includes "promoting or opposing a position on an issue that is publicly associated with a particular candidate or

party."

Since almost every issue can be associated with a party or candidate to some extent, the CEO's definition of "indirect" virtually ensures that no one - except politicians - can do any advertising on any subject during an election campaign. This, despite the Attorney General's repeated assurances that the Act would not create barriers for citizens who want to raise issues in an election.

It's hard to believe that in Canada, in 1996, a group of people may be prosecuted with their own tax dollars for the crime of taking out radio and newspaper ads expressing an opinion during an election campaign. The CTF maintains that

its ads are not in conflict with advertising restrictions under the *Elections Act* and

You made a difference!

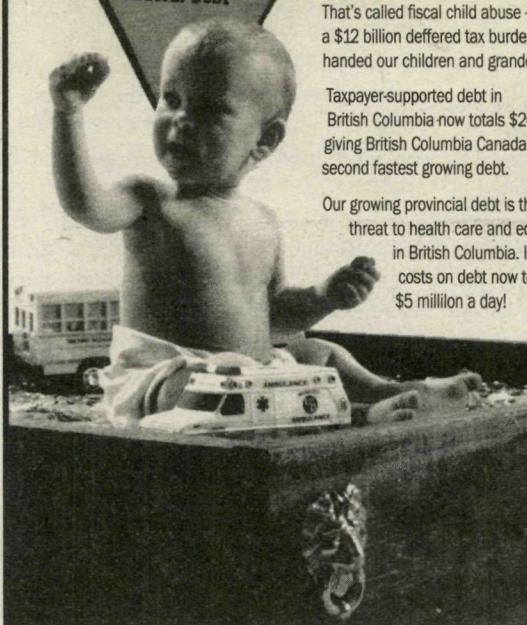
On Jan. 31, 1995, an all-party legislative committee accepted a CTF-BC recommendation and abolished the Clean Office Policy in B.C. that allowed MLAs to keep all their constituency office equipment & furniture.

is prepared to mount a legal defence which includes a restoration of the basic and fundamental rights of free speech in B.C. as guaranteed by the Canadian Charter of Rights and Freedoms. ■

Troy Lanigan is the Executive Director of the CTF-BC. He is based in Victoria, B.C.

Stop Fiscal Child Abuse

BORN IN DEBT
\$7,364
Provincial Debt
\$20,218
Federal Debt



Every child born in British Columbia now owes \$7,364 in provincial debt alone.

That's because successive governments in B.C. have racked up \$12 billion in new borrowing since 1990.

That's called fiscal child abuse - a \$12 billion deferred tax burden handed our children and grandchildren.

Taxpayer-supported debt in British Columbia now totals \$20 billion giving British Columbia Canada's second fastest growing debt.

Our growing provincial debt is the real threat to health care and education in British Columbia. Interest costs on debt now total \$5 million a day.

Isn't it time to stop mortgaging our future?

Don't send British Columbia down the same path travelled by other provinces and the federal government.

What can you do?

1. Support candidates in tomorrow's election who are committed to balanced budget legislation with teeth, who will pay down the debt, and will deliver tax relief.
2. Support the Canadian Taxpayers Federation's ongoing campaign to implement taxpayer protection legislation in British Columbia. Taxpayer protection legislation would make balanced budgets mandatory and require governments seek voter approval in a province-wide referendum before raising taxes or imposing new taxes between elections.

CANADIAN TAXPAYERS FEDERATION BRITISH COLUMBIA

The Canadian Taxpayers Federation is a non-profit, non-partisan advocacy organization which fights government waste, high taxes, and debt.

We need your voluntary contribution to keep up the fight.

Dear Canadian Taxpayers Federation

yes

I'm enclosing a donation of \$200 \$100 \$55 \$35 other \$ _____
 Cheque enclosed or Visa Mastercard Expiry _____
 Card Number _____
 Name _____
 Address _____
 City _____ Postal Code _____
 Phone _____

Contact the CTF at: 604-1207 Douglas Street, Victoria, B.C. V8W 2E7 Tel 604-388-3660 Fax 604-388-3680

STOP

**Mortgaging our Childrens' Future:
Vote to Limit Taxes & Debt**

Authorized by the CTF 604-388-3660